

EUROPEAN NEWS

Hungarian PM resigns from party praesidium

By Judy Dempsey in Budapest

HUNGARY'S Prime Minister, Mr Miklos Nemeth, yesterday resigned unexpectedly from the praesidium of the Hungarian Socialist (formerly Communist) Party after failing to gain the party's full support for his tough budget.

Progress expected on tough EC single market issues

By Lucy Kellaway in Brussels

MEASURES DESIGNED to create a single market in some 30 different areas will be considered by European Community industry ministers tomorrow and Friday in a marathon session that is expected to see real progress on many difficult counts.

have traditionally been excluded, such as energy, telecoms, water and transport. The difficulty will be to reconcile the various exceptions requested by member states, each of which has wanted to protect its most important markets. The UK has asked for offshore supplies to be excluded, France water supplies, West Germany coal etc.

There should be no special preference given to EC suppliers, especially as such arrangements are likely to be outlawed in the next Gatt agreement. An important first step is also expected to be taken towards a free market in insurance. A broad political agreement is expected on the second life insurance directive, which would allow a prospective policy-holder to buy insurance in other member states. After

EC, Arab dialogue in Paris

By Ian Davidson in Paris

THE DIALOGUE between the European Community and Arab countries, launched at the time of the first oil shock in 1973 but which never really got off the ground, is to be given a new start at a two-day ministerial conference opening in Paris today.

Slowdown forecast for France

By Ian Davidson in Paris

THE GROWTH rate of the French economy is likely to ease back slightly during the first half of next year, after unexpectedly rapid growth during the current year, according to the government Statistical Institute.

The French Government hopes the meeting will establish new and simpler procedures for future regular meetings. The French will propose that there should be an annual meeting of three ministers on each side, in which the European Community would be represented by the "trio" of its present, past and future presidents.

In line with French President Francois Mitterrand's penchant for public oratory, he and King Hassan of Morocco will make speeches to bring the meeting to a close in a ceremonial session at the Elysee Palace tomorrow afternoon.

But there is no agenda for the ministerial discussions, and there will be no final communiqué nor agreed declaration.

The host augur for the meeting is that all 21 Arab League foreign ministers will be taking part.

Mr Farouq Kaddoumi of the Palestine Liberation Organisation will also attend, as will as the 12 EC foreign ministers.

At one point it seemed probable that the foreign ministers of Libya and Syria, and/or Britain might stay away, since the UK broke off diplomatic relations with Tripoli and Damascus after several terrorist attacks in 1985.

It is now believed, however, that Mr Douglas Hurd, the British Foreign Secretary, will be present, as will Mr Jeddallah Azouzi al-Talhi of Libya and Mr Farouq al-Sharara of Syria.

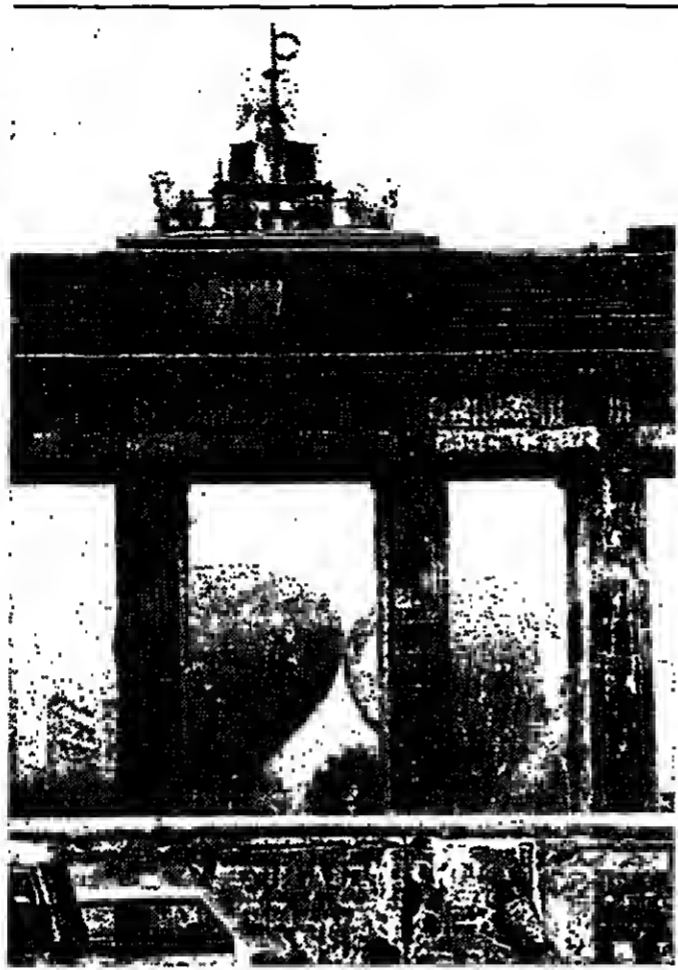
Lebanese Prime Minister Selim Hoss said yesterday he would seek European and Arab support for his cabinet's drive to oust Christian General Michel Aoun.

Prime Minister Hoss made the statement shortly before heading to Paris to attend a Euro-Arab conference which he said was expected to discuss the Lebanese problem.

"I will ask for more international support for my Lebanese team to surpass the current state of partition which threatens its unity," Prime Minister Hoss said.

Gen Aoun, who is holding out in the country's Christian enclave, has refused to recognise President Elias Hrawi, or the authority of his cabinet, headed by Mr Hoss.

President Hrawi was elected last month after the assassination of the previous president.



Two balloons bearing the word "Europa" and a dove prepare to lift off at Berlin's Brandenburg Gate yesterday

E Germans and Czechs set to scoop investment pool

Hungary may be about to lose its leading position, writes Peter Montagnon

EAST GERMANY and Czechoslovakia stand to scoop the pool of Western investment in East bloc countries as soon as political change prompts them to open their doors to foreign capital, Western bankers and economists believe.

The two countries are free of the debt problems that have plagued other Communist nations. Czechoslovakia has a long industrial tradition, while East Germany already enjoys privileged status through its special duty-free trading relationship with West Germany.

As competition to attract a still limited pool of available Western funds grows among East bloc countries, they could thus quickly displace Hungary as the bloc's leading recipient of hard currency direct investment.

The two countries are the strongest economies in the East bloc, according to Mr Jan Vanous of the Washington-based Plankton consultancy service. "They are just about the only two, perhaps with the inclusion of Hungary, that have some range of goods that overlaps with what is acceptable in market economies," he told a conference organised by Plankton and DRG Europe earlier this month in Frankfurt.

A theme that emerged from the conference was the radical change in outlook that has emerged from the rapid spread of political reform in Eastern Europe. With the prospect that most countries will soon be actively seeking foreign investment to help modernise their economies, individual East European countries will have to pay greater attention to marketing their own attractiveness.

Until now Hungary, which pioneered joint venture legislation as long ago as 1973, has been the undisputed leader in the field. East Germany has always resisted foreign investment, largely out of concern that its industry would

quickly succumb to the West German domination. Czechoslovakia brought in joint venture legislation at the start of this year, but has so far been timid in actually seeking out capital inflows.

The speed with which these two countries will change their policies remains uncertain, however. For the time being both are preoccupied with political change.

Before the resignation of Mr Egon Krenz as head of state, East German officials had talked of bringing out joint venture legislation early in the new year. A great deal of uncertainty, however, surrounds the question of whether foreigners would be permitted to hold majority stakes in East German ventures. Failure to allow this could act as a significant deterrent to investment even though businessmen believe East Germany will want to find a way of warding off a surge of West German capital.

Mr Vladimir Dlouhy, of the Economic Forecasting Institute in Prague, says that Czechoslovakia, with its established industrial tradition, will be "standing rather high" in the competition for investment funds. With its trading links to the Soviet Union the country could market itself as a bridge, he adds.

A similar point is made by Mr Csaba Rebesch, of the Hungarian Finance Ministry. He points out that Hungary has only a small domestic market, but its advantage in the race for investment capital will stem from its long experience in seeking to attract capital. Its regulations have been refined to the point where they are liberal even by Western standards.

Despite the potential attraction of its large domestic market, bankers say a much weaker picture is presented by the Soviet Union with its cumbersome bureaucracy and large inflationary

SPD agrees programme under shadow of German question

By David Goodhart in Bonn

THE WEST GERMAN Social Democrats yesterday agreed a new party programme, the seventh in the party's 130-year history and the first since the Bad Godesberg programme of 1959 in which the party officially made its peace with the market economy.

Passing the Berlin Programme - crudely described as Bad Godesberg plus feminism and environmentalism - should have been the confident climax to a long, sometimes painful, debate about how to adapt the party's democratic socialist values to late 20th century realities. Instead, thanks to the re-emergence of the German question, the programme debate has been made to appear rather irrelevant.

As recently as early summer this year the SPD was riding high in the polls and setting the political agenda with its plans for an ecological overhaul of the economy. The possibility of a "red-green" coalition in Bonn after the 1990 election made the "post-industrial" themes of the Berlin Programme, the stress on quality not quantity, seem the very stuff of politics.

Now red-green is off the agenda and the SPD is

Pravda hits out at party critics of perestroika

Senior Communist Party critics of Soviet President Mikhail Gorbachev and his perestroika programme were denounced in Pravda yesterday as bankrupt failures with little popular support.

The harsh attack in the official party daily, against the report that the strongly conservative Leningrad party had adopted a programme fully backing the Gorbachev leadership, came after an assault on Kremlin policies at a key party forum this month.

"The main problem... is that many of the party officials that the strongly conservative Leningrad party had adopted a programme fully backing the Gorbachev leadership, came after an assault on Kremlin policies at a key party forum this month.

Senior Communist Party critics of Soviet President Mikhail Gorbachev and his perestroika programme were denounced in Pravda yesterday as bankrupt failures with little popular support. Reuter reports from Moscow.

But there has been no official report of the meeting, at which Mr Gorbachev said President Gorbachev had offered to step down if his policies were not supported. There have been growing public demands during the last few days for an account to be published.

Vladimir Medvedev, Kremlin ideological chief, went on Moscow television earlier this week to deny what he said were rumours that the entire Politburo had been asked to quit at the session.

Mr Gorbachev said from Mr Gorbachev and from other Soviet sources have said the assault came from several regional party leaders, particularly from Siberia and Kazakhstan.

"Some people," Mr Solomenko said, "are seeking the reasons for their panic-stricken terror at (forthright) statements on the party's unpopularity among the people not within themselves but in some evil forces or a secret plot.

"They do not understand that this is the argument of the bankrupt if you can't blame anyone else, blame plotters, spies and hirelings, or the internal enemy!

"That is how the whole of our press and those who are presently at the head of the party and the state have got onto the blacklist."

Elections to republican parliaments and local government bodies are due next year and many long-time party officials are likely to be defeated.

Mr Solomenko is Pravda's correspondent in Novosibirsk, a major Siberian city whose party organisation he particularly criticised. But Pravda slightly distanced itself from his remarks by describing them as "notes of a publicist."

In a report from its Leningrad correspondent, Pravda said a pre-electoral programme adopted by the city party which suffered a heavy defeat in countrywide elections in March showed the organisation was "extremely radical."

Speeches at meetings earlier this month by the city's new party chief, Boris Gidaspov, had been widely seen as attacks on Mr Gorbachev's policies and had sparked demonstrations in the city in support of perestroika.

Missing pastor is silent testimony to popular hatred of Ceausescu

By Judy Dempsey

THE WHEREABOUTS of the young Lutheran pastor who has become a symbol of opposition to the Hungarian ethnic minority in Transylvania have remained unknown since the Romanian police dragged him and his pregnant wife out of their home early on Sunday.

Romanians and his friends in Hungary fear that Father Laszlo Tokes, the 37-year-old pastor from Timisoara, who had been under virtual house arrest for several weeks, could well suffer the same fate of other human rights campaigners: "disappearance". In Romania, that is often a

euphemism for death. Father Tokes first invoked the wrath of the Securitate, the dreaded Romanian secret police, in September 1988.

In a petition signed along with other ministers from Transylvania, where the majority of the country's 1.5m ethnic Hungarians live, he criticised plans by Mr Nicolae Ceausescu, the party leader to destroy the country's 13,000 village communities.

Mr Ceausescu had long wished to "modernise" the countryside. But, in doing so, it would have meant the destruction

of the heritage of the ethnic Hungarian and German communities, which together with the Romanian culture, contributed to a rich cultural and social identity.

As the surveillance was stepped up, Father Tokes continued to criticise the regime. But it was an interview given last March to a French-Catholic journalist, broadcast in August on Hungarian television, which was the final straw for the authorities.

What followed was a series of death threats as well as intimidation of his loyal congregation.

Last September, Mr Erno Ujvarossy, a lay member of the church council and a staunch defender of Father Tokes, "disappeared". On September 16, his body was found in a forest on the outskirts of Timisoara.

That was supposed to have been more than a warning for the indefatigable Father Tokes.

On October 20, after falling to transfer him to another parish, a court issued him with an eviction order from the minister's residence. Father Tokes refused to leave and moved into the sacristy of the church. Thirteen days later, four masked men, armed with

knives, broke into the church and attacked Father Tokes. "We were victims of attempted murder and we haven't had a moment's rest ever since," he said in a taped message smuggled into Hungary in November.

By then, the church was surrounded by armed guards and friends were driven away. "We live with daily violence and intense emotional strain, but enduring this enforced situation is the worst... the nights are horrible," he said in the message. On the night of November 12, "hooligans" smashed his windows.

In early December, the Securitate accused Father Tokes of "embezzlement" and "profiteering" with foreign currency, a charge which carried a prison term of 15 years because it is illegal to hold any foreign currency in Romania.

Mr Wolfgang Vogel, the East German lawyer who habitually handles delicate prisoner releases between the two Germans.

Out of between 15 and 25 spies in the prison at the beginning of this month, nearly all had now been released. All the West German BND agents - making up around half the total - had been let out except for one.

Mr Alex showed me through the yellow painted cell block housing 6.5 square metre cells equipped with bed, cupboard, sink, green-seated toilet and six plastic wall hooks.

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WORLD TRADE NEWS

American Airlines invests \$650m to expand network

By Paul Betts, Aerospace Correspondent

AMERICAN Airlines, the largest US carrier, has invested more than \$650m to expand its international network by acquiring in two separate deals the route rights to London and to South and Central America from Trans World Airways (TWA) and from Texas Air Corporation.

The first deal involves the acquisition of TWA's Chicago-London route authority for \$198m. The transaction, however, must still be cleared by the US Government.

The second deal involves an agreement with Texas Air to acquire route authorisation to 20 destinations in 15 countries in Central and South America from Eastern Airlines which is now owned by Texas Air. It also includes the Miami-London route authority of Continental Airlines, which is also controlled by Texas Air. American is paying \$471m to Texas Air for these routes.

American's acquisition of both the Chicago-London and Miami-London routes is expected to increase competition on transatlantic scheduled airline services and put pressure on British Airways and other European airlines.

Tokyo denies issuing anti-UK guidance

By Ian Rodger in Tokyo

MITI, Japan's Ministry of International Trade and Industry, has vigorously denied yesterday the claims that it was spreading its investments around European Community countries rather than concentrating them in the UK.

"We have never given any guidance on this issue. It is a matter that is entirely up to companies themselves to decide," MITI said yesterday.

The issue has arisen following the decision last week of Mitsubishi Electric (Melco) to locate a \$284m European semiconductor plant in West Germany. The UK had hoped that the company would choose Scotland, where it already has large television and video cassette recorder factories, for the new plant.

In recent months, especially following decisions by Toyota Motor and Fujitsu to build huge plants in the UK, the view has grown in Japanese industrial circles that the concentration of investment in the UK might arouse anger in other European countries.

Both the Americans and the Australians said the Community had shown readiness to address all the protective elements distorting farm trade - export subsidies, domestic

EC and US in deadlock over tariff reductions

By William Dufforce in Geneva

THE Uruguay Round on the liberalisation of world trade suffered a setback yesterday when negotiators failed to resolve a long-standing confrontation between the European Community and the US over how to carry out tariff reductions.

There is now no agreed method for effecting the 33 per cent cut in customs duties set by trade ministers as one of the Round's objectives. The Round is due to end next December.

"We would have to negotiate next year in disorder, not in an orderly manner," a senior European official said.

Initial efforts to break the procedural impasse before the end of 1989 failed, when the EC refused to abandon the use of a formula to produce co-ordinated reductions in tariffs over the whole gamut of industrial products, including textiles and clothing.

The US wanted to negotiate reductions by individual product sectors, including agriculture, on a request-and-offer basis.

This arrangement would have enabled it to minimise concessions it might have to make on its high textiles tariffs, but tackle EC farm duties.

Agricultural tariffs could be dealt with only by the group negotiating a comprehensive package deal on world farm trade, the EC said.

However, the Americans had proposed a compromise, under which countries would submit by mid-February the cuts they were prepared to make in their duties.

The lists would be circulated to all Gatt members after which the request-and-offer process would take over.

The offer to compromise collapsed when the EC insisted on including a "benchmark" process, to ensure that the reductions were harmonised across the whole gamut of industrial products and did not allow countries to make exceptions for particularly sensitive items, such as textiles.

EC officials, linking the American demand for a bilateral request-and-offer method with Section 301 of the new US Trade Act, said Washington was aiming to negotiate "with a gun in its pocket."

Section 301 enjoins the US Administration to retaliate in certain circumstances against so-called unfair traders.

It had been hoped that agreement on the method for reducing tariffs would trigger serious negotiations next year on a wide range of other trade barriers, such as blocking exporters' access to markets, orderly marketing arrangements, import quotas and other quantitative restrictions to trade.

Although both EC and US officials tried to minimise the importance of the setback over tariffs, negotiators from several other countries saw it would be a poor start to 1990, the concluding year of the Uruguay Round.

EC unveils alternative plans for world farm trade

By William Dufforce in Geneva

THE EUROPEAN Community yesterday formally unveiled its counter-proposal to the ambitious programmes tabled previously by the US and the Cairns Group of 14 agriculture-exporting nations.

Australia, which co-ordinates the Cairns Group, said the proposal embodied several elements which could form a basis for negotiation.

Both the Americans and the Australians said the Community had shown readiness to address all the protective elements distorting farm trade - export subsidies, domestic supports and obstacles preventing access to markets.

However, for all their relief that the EC had opened the way for serious talks, most countries stressed the size of the gap remaining between the Community and the two other main protagonists.

Mr Guy Legras, the EC Commission's director-general for agriculture, said the Community's paper set out a framework, within which countries could work, if they were serious about negotiating.

Mr Joseph O'Mara, the US farm talks negotiator, challenged the fundamental principle enunciated - that without public intervention on prices, agricultural production would adjust through cyclical crises.

The Community's approach addressed the symptoms not the underlying problem, which was governments' attempts to manage markets, Mr O'Mara said. The US has proposed a far-reaching dismantling of all farm supports.

The Americans were pleased that the EC had partially accepted "tariffication" - the conversion of non-tariff border obstacles to trade into customs duties which could then be successively reduced - but they rejected the demand that their deficiency payments to farmers should be subjected to tariffication. The US would commit itself to phasing out these payments in a separate component.

The EC's insistence that it be allowed to "rebalance" concessions in some areas with increases in import protection in others was rejected by all delegations. While the US approved the EC's offer to attenuate the effects of its variable levy, Mr Legras's assertion that the Community's dual pricing system was not negotiable drew all-round criticism. The variable levy is a key element of the dual pricing mechanism.

Australia objected that the EC's proposal to reduce supports gradually in a first stage of five years offered no certainty about what would happen afterwards. But Mr Legras contrasted the EC's pragmatic approach to that of the US and the Cairns Group, who advocate the complete elimination or reduction of all supports for agriculture.

Godzilla enters Japanese epic airport battle

Robert Thomson on the problems besetting Osaka's ambitious £4bn construction project

A GODZILLA film just released in Japan features Kansai International Airport - under construction on a man-made island 5km into Osaka Bay - as the battleground in a climactic confrontation between two oversized monsters.

In real life a hardly less dramatic confrontation over the ambitious project is taking place between local residents and developers and between the US and Japan.

That an airport still four years from completion is a prop in the film is testimony to its impact as a landmark in the Japanese mind. Yet, doubts remain about the success of the ¥1,000bn (£4.3bn) project, which is in danger of serious cost and time overruns, and may not become the hub of western Japan that its planners intended.

Local governors and mayors have come to Tokyo to urge that the national government support the completion of the airport's planned three runways, instead of the single runway that has so far received central funding.

Mr Hajime Ishii, the director-general of the National Land Agency and influential in development projects, said that finding the money is "no problem for the central government, but Tokyo officials would like to see the first stage completed before they commit more money to the project, which is being supplemented by ¥2,850bn in related property and infrastructure projects.

He said the developers, the Kansai International Airport Company (KIAC), had yet to persuade residents living on the site of connecting road and rail lines to move elsewhere, although Mr Ishii himself now oversees a law that gives the government increased rights to buy the property of private landowners.

Then there is the matter of foreign involvement in a project that was a source of US-Japan friction and is now meant to be a symbol of international construction co-operation. The US had targeted the airport in trade talks to open opportunities in the Japanese market for its construction and technology companies, and KIAC now emphasises that contracts for the terminal building and other facilities will be awarded through the use of "transparent methods".

Unfortunately for the project's profile, Japan's Fair Trade Commission, the anti-monopoly body, recently fined six Japanese companies for forming an illegal cartel for the filling operations. But Mr Yoshi Takenchi, president of KIAC says the rest of the project will be constructed with the combined "wisdom of Japan and the rest of the world".

KIAC says that, aside from work on the foundations, foreign companies have won ¥1.4bn in contracts awarded for airport facilities. The airport is the centrepiece of a plan by authorities in and around Osaka to quicken the development of the Kansai region, which takes in Kyoto and the port of Kobe. Osaka already has an international airport, near the city centre, which has brought complaints from residents. It had been presumed the airport would be closed, but some Osaka officials want to keep it open, and a survey of 6,000 residents by the Transport Ministry found that 60 per cent agreed.

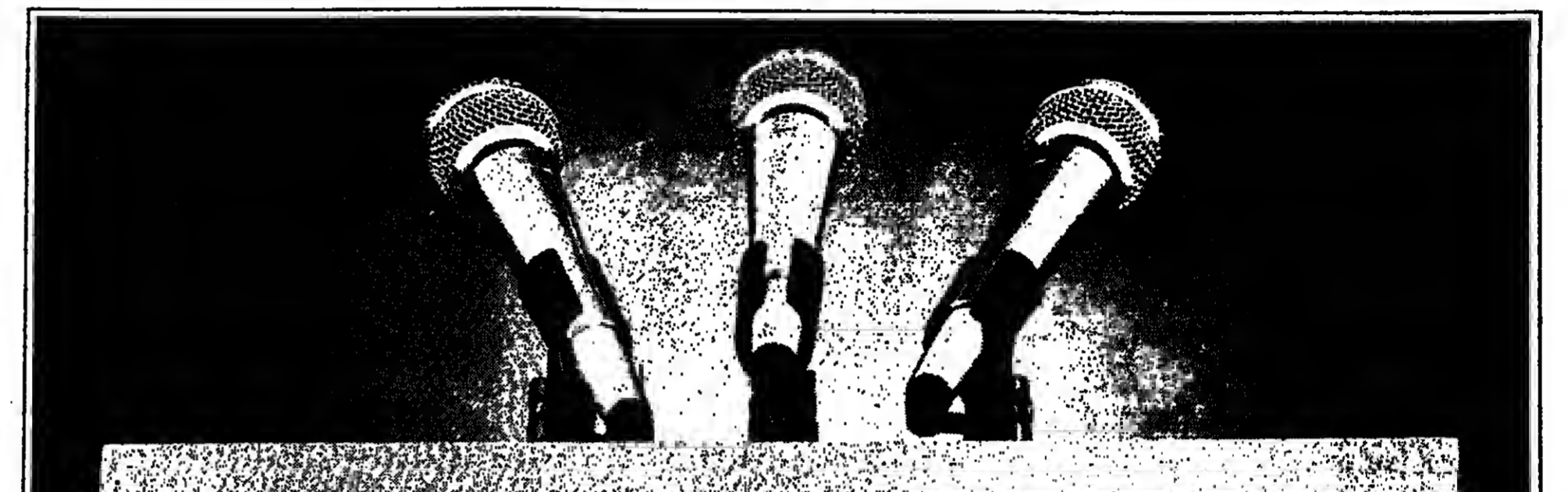
KIAC is obviously disappointed by this, which may mean it will handle only a share of the flights into Osaka. There are now 120,000 take-offs and landings per year. The new airport, to be open 24 hours and described by its supporters as "the airport of the 21st century", is to have a capacity of 180,000 take-offs and landings, although Mr Sakae Kishi, the governor of Osaka, has said that unless central approval is given for three runways "we will not be able to meet all the demands of a modern, international airport".

Of the ¥1,000bn cost, about ¥300bn will be covered by equity financing, two thirds from the national government and a sixth each from local governments and private companies. The remaining ¥700bn is to be funded through public and private loans and bond issues. Of the total, ¥500bn is for the bridge linking the island to the mainland and the reclamation of the island, and the contracting of this work solely to Japanese companies prompted trade complaints from Washington.

The project is certainly grand. The reclamation work, expected to be completed by the end of 1991, will involve transporting about 150m cubic metres of soil. The substructure of the bridge has already been partly completed and the superstructure is scheduled to be finished in early 1993.

Like Tokyo's International Airport at Narita, the Kansai project has been a target for violent protests. Three KIAC boats were burnt out a year ago, and the company blames extreme left-wing groups which suspect that the airport will have military functions.

Concern about such attacks prompted KIAC officials to ask the makers of the Godzilla film to change a scene in which a Japanese military plane took off from the airport to attack the monster. As one company official explained: "We did not want anything shown to suggest that there is a military connection. That would only encourage these groups."



UNIROYAL CHEMICAL'S MANAGEMENT ANNOUNCES A BUYOUT THAT'S NOT THE LAST BIT HOSTILE

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To find out more, write to: Uniroyal Chemical Company, Inc., World Headquarters, Dept. A, Middlebury, CT 06749, U.S.A.

PANAMA: US MILITARY INTERVENTION

Sanctions proved little more than an irritant

By Anatole Kaletsky in New York
THE ECONOMIC and financial sanctions against Panama formally lifted by President George Bush after yesterday's invasion turned out to be little more than an irritant to the US business community...

Praise drowns out doubts over longer term

Peter Riddell examines support for Bush and the questions raised by the US intervention in Panama

SENDING US troops into action overseas has always been the most difficult, and politically risky, decision for any US president. Yesterday, a few hours after the military action in Panama had started, President George Bush had secured widespread political support within the US for his decision...

and a recent critic of the president on other foreign policy issues, said his order "was made necessary by the reckless actions of General Noriega. There were only a few Democratic dissenters, including Senator Claiborne Pell, chairman of the Senate Foreign Relations Committee, who questioned the wisdom of acting unilaterally."

Mr Bush sent a private cable to Soviet President Mikhail Gorbachev, explaining the reasons for the US military intervention in Panama just after the operation began, Mr James Baker, Secretary of State, said yesterday.

Can the Endara government establish its authority quickly and convincingly? Being sworn in as president on the night does not establish immediate independence from Uncle Sam, for all Mr Endara's credentials won when he won a democratic victory last May in elections annulled by Gen Noriega.

On an international scale, what does the US intervention mean for relations with other Latin American countries, especially in view of the Bush administration's efforts to lower tensions in Nicaragua? Were protests yesterday by other Central American governments fatalistic or will they have a more lasting impact?

Bush: I acted to protect Americans

THERE follows an edited transcript of President George Bush's television address on US troops being sent to Panama to overthrow General Noriega. My fellow citizens, last night, I ordered US military forces to Panama. No president takes such action lightly. This morning, I want to tell you what I did, and why I did it.

A pock-marked Caligula still a hard man to nail

David Gardner assesses the colourful career and remaining options of General Noriega

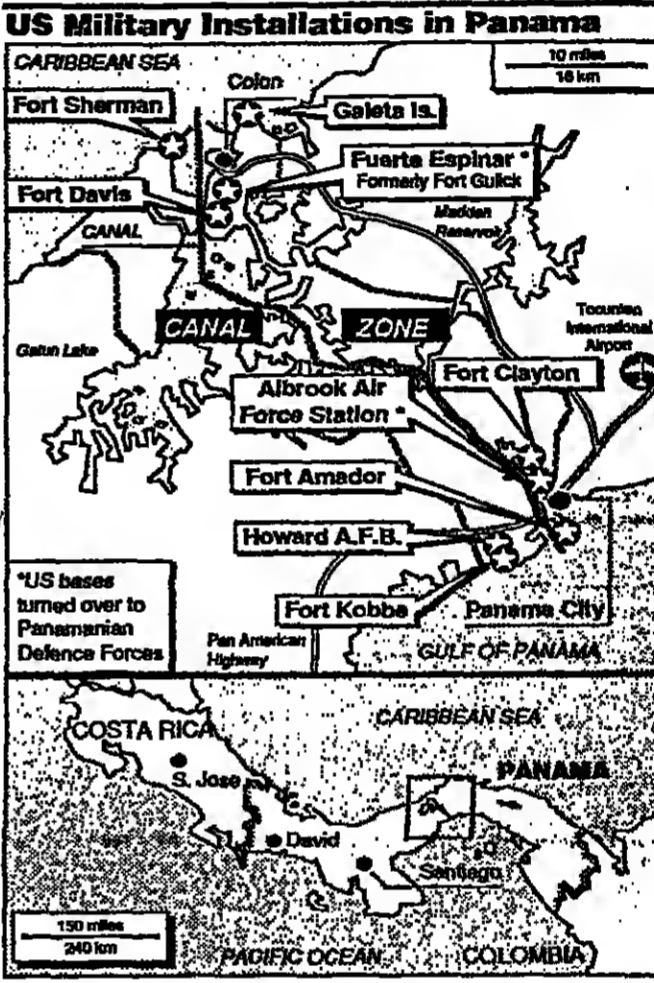
ACCURATE intelligence is the commodity with which General Manuel Antonio Noriega built and sustained his remarkable career, and it seemed last night that advance warning of the latest US strike against him had temporarily postponed what seems destined to be an ugly end.

Gen Noriega's historic failure is to have destroyed this cohesion and independence by turning Panama into a piece of personal real estate for rent to the highest bidder - or, more usually, to rival bidders simultaneously.

Gen Noriega's historic failure is to have destroyed this cohesion and independence by turning Panama into a piece of personal real estate for rent to the highest bidder - or, more usually, to rival bidders simultaneously.

Washington has signally failed to convince the PDF - its only lever against Noriega - that the seemingly open-ended intervention it has now embarked on - of its intentions.

PDF. This attack is not only against the general but aimed at the Defence Forces. There can be no retreat which puts us back on the streets as a police force with truncheons. We are part of the Panamanian state."



Manuel Noriega might seem behind bars in this recent picture but he was still at large last night

In a message to Mr Javier Perez de Cuellar, the UN Secretary General, President Daniel Ortega of Nicaragua condemned the US invasion and said he would call for strong action by the Security Council against the US.

Advertisement for Vacheron Constantin watches, featuring a large image of a watch and the text 'VACHERON CONSTANTIN'.

OTHER AMERICAN NEWS

Fed signals prime rate cut

By Janet Bush in New York

THE US Federal Reserve gave a clear signal yesterday it was easing monetary policy by another notch, a move which should soon prompt commercial banks to lower their prime lending rates.

after the Fed aggressively added reserves to the banking system through overnight system repurchase agreements, the strongest signal in the central bank's armoury.

US growth revised up to 3%

By Anthony Harris in Washington

US REAL gross national product grew at an annual rate of 3 per cent in the third quarter, up from an earlier estimate of 2.7 per cent, and a first estimate of 2.5 per cent, the Commerce Department announced yesterday.

Brazil's new president faces stiff opposition

By Ivo Dawson in Rio de Janeiro

MR FERNANDO Collor de Mello, Brazil's president-elect, yesterday received early notice of the formidable opposition that awaits him in Congress, even before the final votes from Sunday's ballot were counted.

Pinochet regime names unelected senators

By Barbara Durr in Santiago

CHILE'S outgoing military regime has named six of the nine senators it can appoint under the present constitution.

Patricio Aylwin, the Christian Democrat elected president last week, attempted earlier this year to eliminate this provision of the military's 1980 constitution. But in the negotiations on the constitutional reforms approved in a plebiscite last July a compromise was arranged to increase the elected senators from 26 to 38.

US growth revised up to 3%

The trade deficit was also revised downwards slightly. Economists said fourth quarter growth has dropped off dramatically and may actually contract after seven years of uninterrupted expansion.

Brazil's new president faces stiff opposition

The decision comes as a blow to the new president who had been anxious to attract at least some of the PSD's nationally respected politicians into a broad-based administration.

OVERSEAS NEWS

FAO calls for big Ethiopian relief effort

By John Wyles in Rome

THE population in Ethiopia which rises each year from famine is increasing at an alarming rate and only a large-scale international relief effort can avert a fresh catastrophe, warned Mr Edward Saouma, director general of the UN's Food and Agriculture Organization yesterday.

In a year end statement issued to the UN's emergency relief committee, Mr Saouma said that an FAO crop assessment mission was currently at work in Ethiopia. But it was "already clear that food supplies in the affected areas were exhausted during the first few months of 1989 unless urgent action is taken by the international community to pledge additional food assistance and to deliver it swiftly to the hungry."

"Only an international relief operation of major proportions can avert widespread loss of life in northern Ethiopia once again," warned Mr Saouma.

In addition to the provinces of Eritrea and Tigray in Ethiopia, severe food shortages have also been reported in southern Sudan, Mozambique and Angola.

He also drew attention to a further run-down in world food stocks in 1989, the third consecutive year in which cereal consumption has exceeded production. World output reached 1.88bn tonnes, 120m tonnes above 1988, but virtually all of the increase was in developed countries.

Development in many Third World countries in the last decade had been blocked by population growth, foreign debt and trade barriers.

"We cannot afford to lose another decade," he added, pointing out that world population was increasing by 80m a year so that by 2000 there will be more than 6bn people to feed "with 90 per cent of the increase in the developing world already crushed by external debt and protectionism".

Hong Kong passport scheme leaves locals unmoved

The British colony's population has become resigned to fending for itself, reports John Elliott

THE British nationality passport scheme for 225,000 Hong Kong residents announced yesterday has generated considerably more political heat and emotion in London during the past few days than in the British colony which returns to Chinese sovereignty in 1997.

"Everyone is going to be very very disappointed and frustrated with the figures, but most know they have stood no chance of a passport anyway," Mr Martin Cheung, a company executive, said last night.

"There won't be so much anger as resentment, plus a cynical reaction about how those getting the passports will be chosen."

Broadly, Hong Kong's ethnic Chinese population of over 5.5m people has become resigned to having to fend for itself. The emotional days that followed the June crisis in 1989 have gone. For several months people have been hearing that the UK would reject demands generated by the June crisis for at least 3.2m holders of British Dependent Territories Citizens passports to be given a UK right of abode.

There will of course be objections in Hong Kong to the limited numbers, and Britain will be accused of being elitist and of not looking after its last major colony properly.

The scheme could also be highly divisive, especially in the civil service as the lucky ones are chosen, and when private sector companies choose those people who should qualify by the special criteria of spending time training or working in the UK.

But last night critical reactions were muted, partly at the

before individuals and employers know whether they will be one of the 50,000 "heads of household" chosen as key residents on the basis of what is expected to be a points system similar to that used by Canadian immigration authorities.

In the private sector those with most chance will be in the 35 to 45 age group working in the medical profession (especially paramedics), accountancy and auditing, and computer programming and analysis, plus businessmen. The 25-45 age group is being highlighted because these are the people who will be moving into senior jobs by the 1997 handover.

In the public sector the age bands will go higher and will include administrative grades. There will be a special list for people to sensitive jobs which will replace an existing secret scheme that promises abode in

the UK for about 5,000 police, security and other top administrators who may find themselves facing trouble.

The professions and jobs at the top of the list are those which are being most seriously depleted by emigration in the colony's brain drain, and which take time to replenish because of lengthy training.

There will be accusations that the scheme is elitist because it is aimed at the colony's most useful and needed people. Officials rebut that criticism, saying the people will be chosen for practical, not elitist, reasons.

The details of the scheme will now be thrashed out by civil servants from Hong Kong and London while the legislation is passing through Parliament. It is assumed that a special office would be opened in Hong Kong to handle applications that would be invited as

Rabin tells of concern over Iraqi missiles

By Hugh Carnegie in Jerusalem

MR Yitzhak Rabin, the Israeli Defence Minister, yesterday publicly expressed Jerusalem's concern over progress made by Iraq towards developing long-range missiles, space capability and non-conventional weapons.

Reacting in parliament to claims earlier this month by Baghdad that it had launched a space rocket and tested two surface-to-surface missiles, Mr Rabin said Iraq was channeling enormous resources into developing advanced weapons likely to give it long-range capability.

"The defence establishment is keeping a close watch on developments in Iraq in various technological areas, especially Iraq's progress in developing medium- and long-range ground-to-ground missiles, its entry into space and the development of non-conventional weapons," Mr Rabin said.

Israel has been deeply worried by Iraq's recent progress towards acquiring home-grown sophisticated weaponry, mainly by tapping Western technology through an elaborate and secretive network of commercial deals in Europe and the US. Defence officials doubt this month's space launch was as spectacular as Iraq claimed - it said it was a three-stage rocket.

Although not regarded as posing an immediate threat, Israel's concern is that Iraq as a potential belligerent which would join in any Arab attack on it regardless of present political differences, especially with Syria.

Mr Rabin said Israeli monitoring of Iraq's missile threat enables the Government to "take the appropriate decision in the light of these developments". In 1981, Israel bombed an Iraqi nuclear reactor near Baghdad to pre-empt Iraq acquiring nuclear weapons capability and has since hinted it would be prepared to take similar action again.

Iranian oil deal shows desire to help hostages

By Hugh Carnegie

CONFIRMATION by the US that Israel has bought oil from Iran is the latest in a series of recent indications that Jerusalem is continuing to make intense efforts behind the scenes to secure the release of its servicemen captured in recent years in Lebanon, an issue which inevitably overlaps with the fate of Western hostages in Lebanon.

Since Israeli commandos kidnapped Sheikh Abdel-Karim Obaid, a Shia Moslem activist, in south Lebanon last July, triggering a dramatic revival of the hostage crisis, the issue has dropped out of the headlines.

The US State Department said on Tuesday it had been informed by Israel of its purchase of Iranian oil last month. Iran denied the sale, but the US television network NBC said Israel had bought 2m barrels of Iranian crude for \$35m as part of efforts to secure a deal for the release of six of its servicemen missing in Lebanon and - possibly - Western hostages as well.

Unlike the US, Israel makes no bones about its willingness to deal with any party to gain the release of soldiers captured in action. Mr Uri Lubrani, the Defence Ministry co-ordinator for Lebanon and a former Israeli ambassador to Iran during the Shah's reign, is said by security sources to have had direct contact in Europe with Iranian officials in recent months, presumably including arranging the oil sale.



President Aquino signs the law yesterday giving herself emergency powers

Aquino pledges to use powers decisively

By Greg Hutchinson in Manila

NEARLY two weeks after the end of the bloody coup attempt of December 1 to 7 President Corason Aquino has signed a law giving herself emergency powers for six months which she said would be exercised decisively.

The powers assigned by Congress should allow her to control coup attempts. This attempt, with the Government shaken by this month's army putsch, was the sixth and most serious attempt to topple Mrs Aquino.

During the coup, the main Makati financial district was transformed into a battleground between military rebels and loyal soldiers, driving tourists and investors - at least temporarily - from the country.

The President has said there would be seizures of illegally acquired firearms. Other powers she can exercise include taking over public utilities and related businesses, fixing prices and interest rates and regulating power distribution.

"I shall exercise these powers decisively to carry out their end of protecting our people and reconstructing our economic gains. . . I will not hesitate to exercise them to the full extent needed during the emergency."

If the Congress does not decide otherwise Mrs Aquino's emergency powers end in six months.

Businessmen are eager for her to act decisively as she has pledged this would be a cue for a rebound in local share prices which have seen about a quarter of their value wiped out because of the coup and the uncertainty it has caused.

**PART OF REFORM PROGRAMME TO CURB CORRUPTION
Singh to set up ombudsman**

By David Housego in New Delhi

THE INDIAN administration of Mr V.P. Singh, the Prime Minister, is to create an ombudsman institution with a power to inquire into the Prime Minister's office as part of proposed reforms to curb corruption.

This was confirmed by President R. Venkataram yesterday in an opening address to the new parliament outlining government policy. While making no reference to the National Front's pre-election pledge to follow-up inquiries into the Bofors scandal, the President said "the law will take its course in respect of matters of corruption in high places".

The broad statement of policy by the new administration is to be followed today by a vote of confidence required by the President when he called on Mr Singh to form a government.

Though the National Front has only 140 members in a house with a current strength of 521, it will have no problem in obtaining a majority today because of outside support from the radical Hindu BJP party and the Marxists.

Among other reform measures to be brought in during the present session are amendments to official secrets acts and bills to grant autonomy to the state run radio and television. For the first time the President's address to a joint sitting of both houses was televised live.

Outlining what was essentially a centrist programme, the Government ruled out any concessions to separatist or terrorist movements in seeking solutions to the problems of the Punjab and Kashmir. The President said, however, that there would be a genuine decentralisation of powers and resources to create a federal structure linking the central government with the states.

In the foreign policy section of the speech, the Government laid emphasis on improving relations with India's neighbours. With particular refer-

Ivory Coast reaches debt deal

By George Graham in Paris

IVORY COAST has reached a comprehensive debt rescheduling agreement with its official creditors at the Paris Club.

The Paris Club agreed to reschedule an estimated \$1bn of repayments over 14 years, with an eight-year grace period before repayments must begin. This is the longest rescheduling period yet granted to Ivory Coast and replaces a multi-year rescheduling agreement concluded in 1987 but which proved impossible to put into effect.

"We had to get out of the classic formula for intermediate income countries of 10 or perhaps 12 years, with five years grace. That was simply not enough. With this agreement we can wipe the slate clean and start again," commented an Ivory Coast official in Paris yesterday.

Ivory Coast is one of the world's most heavily indebted nations, with an estimated \$1.8bn of debt outstanding at the end of 1988, equivalent to 1.6 times its gross national product.

The country has been severely affected by the collapse in the price of cocoa, its principal export on world markets, especially as it had insisted for months on maintaining the support prices it paid to cocoa farmers unchanged.

The Paris Club has since the Toronto summit of September 1988 loosened its terms for low income debtor nations, with reschedulings up to 25 years and the total forgiveness of some outstanding debts.

Tanzania has received aid pledges that should enable it to meet external financing requirements next year after a meeting of donor nations and multilateral institutions at the World Bank in Paris yesterday.

The country's total financing requirements for 1990 are estimated at \$1.3bn, of which \$800m will be met by aid pledges. A further \$200m is expected to be covered by private transfers, and Tanzania hopes the remaining \$260m will come from a debt rescheduling agreement which it is to discuss with the Paris Club in February.

HEALTH CARE

The Financial Times proposes to publish a Survey on the above on
26 JANUARY 1990

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NOTICE IS HEREBY GIVEN, in accordance with the Instrument by way of deed poll executed on 13th October, 1987, by Asahipen Corporation (the "Company") in connection with its issue of bearer warrants ("Warrants") to subscribe up to 44,460,500,000 for shares of common stock of the Company, that the Company has modified the terms of the Warrants. This modification is made consequent to a resolution dated 21st December, 1989 of the general meeting of the shareholders of the Company changing the financial year end of the Company from 30th September in each year to 31st March in each year. From 21st December, 1989 the Dividend Accrual Period defined in Condition 4 of the Terms and Conditions of the Warrants shall mean the six-month period from 1st October, 1988 ending on 31st March, 1990 and thereafter each twelve-month period ending on 31st March in each year.

Shares issued upon exercise of any Warrant during the period from 1st October, 1988 to 31st March, 1990 shall entitle the holders thereof to participate in full in any cash dividend on the Shares with respect to the entire six-month Dividend Accrual Period from 1st October, 1988 to 31st March, 1990, in accordance with Condition 4 of the Terms and Conditions of the Warrants.

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UK NEWS

Final details of uniform business rate disclosed

By Richard Evans

THE FINAL pieces in the complex jigsaw that will form the new uniform business rate for all commercial and industrial properties in England and Wales from next April were announced yesterday. They will enable businessmen to make an accurate assessment of their future rate liabilities for the first time.

Mr Chris Patten, Environment Secretary, announced that the uniform business rate (UBR) will be set at 34.5p in the pound in England in 1990-91, slightly lower than the provisional figure of 36p announced in November.

Draft rating lists giving details of the revaluation have been sent by the Inland Revenue to all local authorities. They will be available for public inspection as soon as practicable, either in town halls or in local valuation offices.

Mergers body rules out ferry service link

By Kevin Brown, Transport Correspondent

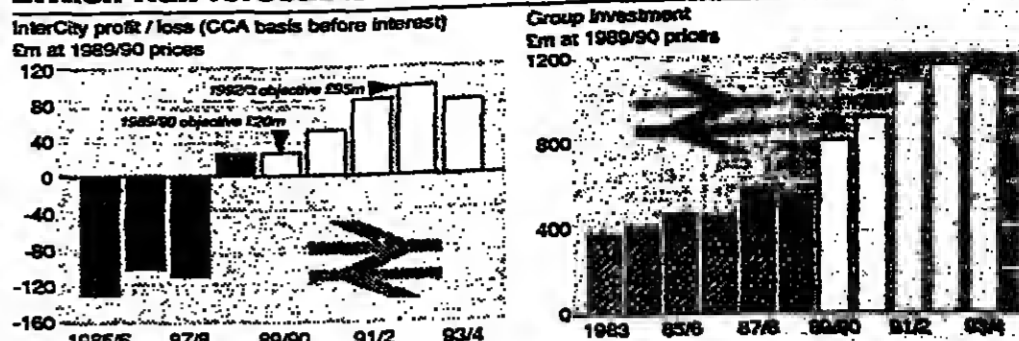
SEALINK and P&O European Ferries were yesterday refused permission to operate a joint ferry service before the Channel tunnel opens in 1993.

Goals for a commercial railway

Kevin Brown reviews BR's progress under the corporate plan

THE Government's announcement of fresh three-year objectives for British Rail amplified in the corporation's five-year business plan, brought predictable howls yesterday from the Labour Party and railway trade unions.

British Rail forecasts



(PSO) grant. That has been done partly through decentralisation of the railway into five business sectors, with the long-term aim of isolating those parts of the corporation which will always need taxpayer support.

long-distance routes, is expected to reach about £350m in PSO for the current year - and will have to break even by 1992-93, when it will lose all grant income.

The plan overall appears to make BR very vulnerable to fluctuations in the economy. Recession could have a devastating impact on transport demand, and therefore on cash flow.

MPs warn Major of recession

By Peter Norman, Economics Correspondent

MR JOHN MAJOR, the Chancellor, is walking a tightrope between recession and continuing inflation, with the balance of risk moving in the direction of recession, an all-party Commons committee warned yesterday.

Mr Terence Higgins, chairman of the Treasury and Civil Service Committee, presented a critical report on the Government's economic policy and 1989 Autumn Statement.

Autumn Statement projects a 3 per cent inflation rate in three years' time, it said. "Repetition in the face of failure has not added credibility to this forecast."

Barlow Clowes advisers face writs

By Richard Waters

WRITS AGAINST advisers involved in the Barlow Clowes affair could be issued within a month, it emerged yesterday.

BSB backers likely to inject extra £150m

By Raymond Snoddy

FOUR big shareholders in British Satellite Broadcasting, the five-channel satellite television venture scheduled for launch in the spring are likely to agree to inject a further £150m into the project next month.

Insurer wins asbestosis claims action

By Raymond Hughes, Law Courts Correspondent

ORION Insurance Company has won a High Court action in which it is claiming a minimum of £12m (£7.5m) in contributions from Sphere Drake Insurance in connection with insurance claims by asbestosis victims.

Cash boost for low-cost housing

A BIG INCREASE in the number of low-cost homes to be built in the next three years was announced yesterday by Mr Michael Howard, Housing Minister.

Tunnel fire warning

THE British Safety Council has urged the Government to stop Eurotunnel, the Anglo-French Channel tunnel project, from carrying cars and passengers together in shuttle trains.

Annual GDP rise slows to 1.9%

By Patrick Harverson, Economics Staff

BRITISH company profits fell during the summer and consumer spending remained stagnant as the economy slowed further under the pressure of high interest rates, official figures indicated yesterday.

It is the third consecutive quarter when economic growth has been almost flat. The CSO said that gross trading profits for UK companies fell nearly 5 per cent between July and September.

and the slowdown in general economic activity. Depressed consumer spending remained a significant factor behind the poor growth in the non-oil economy in the third quarter.

Green bill forms framework for action against pollution

The Government's plans to clean up the environment include power of closure and unlimited fines, says John Hunt

PROPOSALS to reduce pollution, including unlimited fines for the worst offenders and powers to close industrial plants that breach the regulations, are contained in the Environmental Protection Bill, published yesterday.

M0 still above target range

By Simon Holberton, Economics Staff

LENDING BY banks and building societies was subdued last month but the Treasury's monetary barometer, M0, continued to grow outside its target range, official figures released yesterday showed.

Belfast finance deal

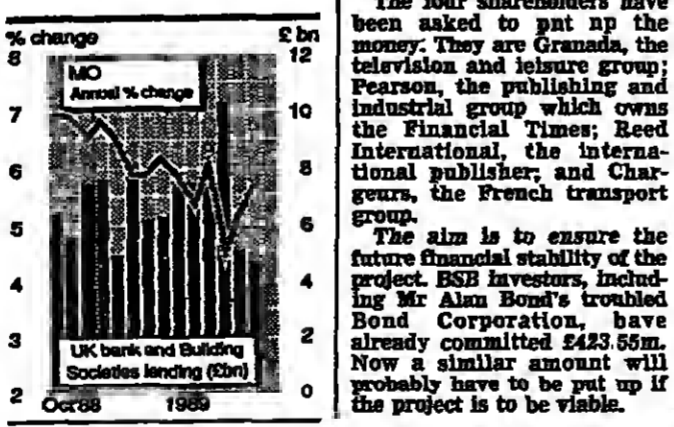
THE biggest bank financing deal yet for Northern Ireland property development was signed in Belfast yesterday.

Severn bridge tender

Two consortia have been short-listed by the Transport Department for a contract to build a second bridge over the Severn.

Insurer posting

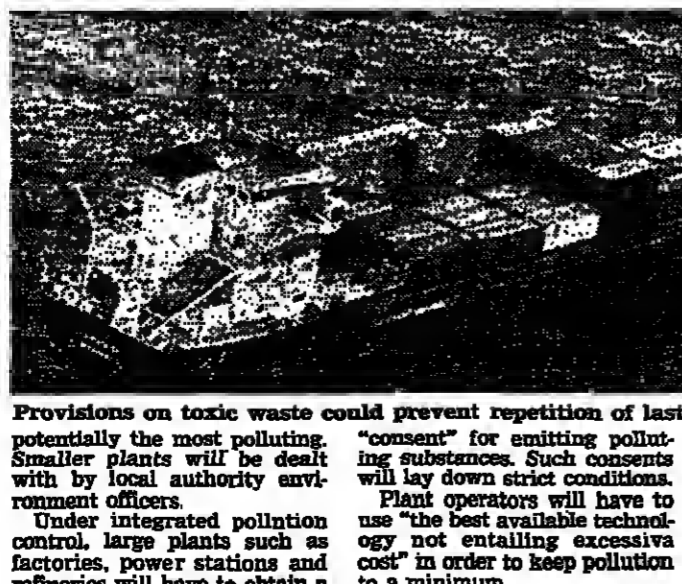
Mr Alan Clifton, managing director of RBC Dominion Securities International, is to be the new chief executive of Commercial Union Asset Management, one of the main investment management arms of the composite insurance group Commercial Union.



Green bill forms framework for action against pollution

The Government's plans to clean up the environment include power of closure and unlimited fines, says John Hunt

PROPOSALS to reduce pollution, including unlimited fines for the worst offenders and powers to close industrial plants that breach the regulations, are contained in the Environmental Protection Bill, published yesterday.



Provisions on toxic waste could prevent repetition of last year's Karin B incident. That is together with the present standard.

ble for mishaps occurring when the waste has left their plant and is being transported or disposed of.

ing in toxic waste that had been dumped originally in Nigeria. In the disposal of domestic waste, the "poacher and gamekeeper" role of the local authorities will be abolished.

Other proposals cover the control of genetically manipulated organisms and an end to Crown immunity for the storage of radioactive materials.

Straw burning in farmers' fields will be banned from the end of 1992.

UK NEWS

Big banks pull out of student loans scheme

By Jimmy Burns, David Lascelles, and Alison Smith

THE Government's controversial student loan scheme yesterday suffered a potentially irreversible setback when five leading British banks announced that they were withdrawing from it on commercial grounds.

The Education Secretary, Mr John MacGregor, while expressing "regret" at the banks' decision, said that arrangements were being made for the central administrator of the scheme, the Students Loans Company, to pass into the ownership of the Government so as "to ensure continuity in the necessary preparations".

Under the Government's original scheme, students loans were to be introduced from next September when undergraduates were to be able to top up their grants by borrowing £420 from most of the major banks. The loans element was to be introduced gradually until it accounted for 50% of the students' income.

However, banks had come to doubt whether they stood to

make any money from administering the scheme.

Government officials last night were insisting that a "closer relationship" between the company and the students, possibly through a direct debit mechanism, would prove less costly in the short-term but they were unable to detail exactly how they plan to administer the scheme.

Meanwhile in the House of Commons, Mr Jack Straw, the opposition Labour education secretary said that participation of the banks was "absolutely central" to the administration of the Government scheme which he said was now in "total ruins".

The decision by Barclays, the National Westminster Bank, the Midland Bank, the TSB, and the Royal Bank of Scotland to pull out followed an intense campaign against the scheme organised by the National Union of Students which had largely succeeded in dwarfing counter action among Government supporters.

Takeover Code changed to protect shareholders

By Nikki Taft

BRITAIN'S Takeover Panel, the UK watchdog on bids and deals, yesterday issued four amendments to the Takeover Code, designed to give shareholders greater protection when members of management bid for an entire quoted company.

Management buyout bids have been the subject of considerable controversy over the past eighteen months.

The issue centres on the fact that management is inevitably in a privileged position with regard to up-to-date information about the company.

The Panel is now making four Code amendments. These state:

- The target company's board should appoint an independent adviser as soon as possible, and stress the importance of the role;

- The bidder should promptly supply the independent directors and their advisers with all the information which has been made available to the management team's financing backers (or potential backers);
- The information which should be available to any other potential bidder should be "that information generated by the offer company which is passed to the external providers of finance". The info team should co-operate with the independent directors in assembling this information.
- A director will be viewed as having a conflict of interest and should not, therefore, express views on the offer - if he has any continuing role (executive or non-executive) in the bidding vehicle or the target company once the offer is successful.

Workers at Ford vote for strikes over pay

By Michael Smith, Labour Correspondent

UNION LEADERS at Ford, the vehicle manufacturer, said yesterday they were considering calling strikes in the second week of January after they announced that manual workers have voted by four to one in favour of staging stoppages.

They said they were available for talks with Ford but warned that the company would inevitably face a strikes campaign if it did not change its "final and non-negotiable" pay offer.

In the ballots, which took place on Monday and Tuesday, 20,343 of Ford's 22,000 manual employees took the advice of union leaders and voted in favour of strikes, and 4,727 were against.

The size of the majority will worry government ministers, who are campaigning against high pay offers as part of their fight against inflation. It will also cause concern for hundreds of companies who use the Ford settlement as a benchmark.

Ford's offer - 9.5 per cent in the first year of a two-year deal, and inflation plus 2.5 per cent in the second - is already higher than other recent settlements.

However, the unions are looking for a rise of at least 10 per cent and are angry that the company has failed to respond to their demand of a cut in the 39-hour week.

Mr Jack Adams, lead negotiator for the TGWU general workers' union, said yesterday that Ford was extremely profitable and had made more than £1.4bn at the pre-tax level in the last two years.

"We are not prepared to accept sub-standard wages and conditions from a company like that."

Mr Jimmy Airlie, lead negotiator for the AEU engineering union, said the unions wanted a negotiated settlement but it was up to the company to approach them.

In the ballots, all 21 plants were in favour of strikes. Majorities varied from 62 per cent to 96 per cent. A typical lineworker at Ford earns £226 for a 39-hour week.

THE AMBULANCE DISPUTE

Breakaway union rejects pay settlement

By Fiona Thompson, Labour Staff

ANY resolution to the increasingly bitter ambulance dispute appeared bleak last night after the breakaway Association of Professional Ambulance Personnel (APAP) rejected by two to one the Government's 9 per cent, 18-month pay offer.

The result put paid to hopes held by Mr Kenneth Clarke, Health Secretary, of using a yes vote by the association to split the country's 22,500 ambulance workers in an attempt to end the 14-week dispute.

Mr Clarke only gave APAP negotiating rights less than three weeks ago, after the five TUC ambulance unions rejected the 9 per cent offer. Had the association followed

its executive's recommendation and accepted the offer, the likelihood is that the award would have been imposed throughout the country.

The APAP vote was 1,413 against acceptance and 661 for, in a 47 per cent turnout, although the TUC unions claim that APAP does not have the 4,900 members it asserts.

Mr Roger Poole, the chief trade union negotiator, said the Government's last card had collapsed just as dramatically as APAP's membership.

He called on Mr Clarke to immediately resume negotiations "with the real trade unions who represent the vast majority of ambulance personnel."

Mr Clarke said he was disappointed that the offer, which in his opinion was "fair and reasonable", had not been accepted. What happened now "was up to the unions." He said it was quite unreasonable to pursue a claim for 11.4 per cent and a link to firefighters' pay.

"I am not prepared to ask the NHS management to close wards and cut back patient services to meet such a claim."

Mr Clarke said there was no point in Roger Poole asking for weekly meetings "when he merely repeats the same things he said 2 1/2 months ago."

Mr Richard Kirlew, national

secretary of APAP, said he had asked the Department of Health for further talks, in the light of yesterday's rejection and the association's ballot last month which gave a five-to-one vote in favour of limited industrial action.

The Department of Health said last night it was considering the request for a meeting.

A telephone opinion poll of 1,008 adults interviewed last weekend showed that 72 per cent thought key public service workers should be allowed to take industrial action over pay. Seventy-seven per cent supported ambulance workers petitioning and collecting money in the streets.

Underground rail users face higher fares in London

By Kevin Brown, Transport Correspondent

OPERATING subsidies to the London Underground are to be phased out over the next four years, Mr Wilfrid Newton, chairman of London Regional Transport, the state-owned transport holding company, said yesterday.

The announcement heralds substantial increases in fares for Underground passengers, who are already facing a 10 per cent rise in February.

Mr Newton's plans for the Underground are set out in an LRT document which acknowledges that travel in London is "more costly, less predictable and more disruptive to life in the capital than it should be."

The broad strategy for the Underground is to improve standards through investment in better services "which passengers want and would be willing to pay more for."

The report acknowledges that this will require more funds than can be raised through increased fares, and suggests that new Underground lines will have to be paid for by the Government.

However, the report says "modest annual real increases in fares" will both "moderate" increasing demand, and help

provide funds for investment of £3bn over five years in renovating existing lines.

The target for the Underground is to achieve operating profitability in 1993/94 - defined as covering all its direct costs plus depreciation. By the end of the five year plan, in 1994/95, Mr Newton wants to see passengers paying for around half the capital expenditure programme as well.

The report says higher fares are essential to overcome the problems caused by low investment in earlier years, and a 72 per cent increase in demand since 1982.

Mr Newton's strategy is likely to bring LRT into conflict with the cross-party parliamentary transport committee, which said earlier this year that the use of the price mechanism to reduce demand was unjustified.

Ms Joan Reddock, a Labour transport spokesman, said LRT's plans to improve services were welcome. But "the Government's stubborn refusal to provide adequate subsidy for our public transport system, unlike any other European capital city, means commuters will end up footing most of the bill," she said.

Interest rates policy knocks plans for UK factory investment

By Simon Holberton, Economics Staff

THE GOVERNMENT'S policy of high interest rates has knocked manufacturers' investment plans, and growth in investment spending by British industry is expected to fall sharply next year.

The Central Statistical Office said its survey of investment intentions indicated that the volume of manufacturing investment, including leased assets, is expected to rise by 1 per cent next year after a 9 per cent rise this year.

At the same time the CSO released figures about the economy's performance in the July-September quarter of the year. They showed gross domestic product growth of 1/2 per cent compared with the previous three months and 2 per cent up on a year earlier.

However, the figures, which showed a near 5 per cent fall in company profits in the third quarter, indicated that there was little growth in the economy if the North Sea oil and gas industries are excluded.

The Bank of England also reported yesterday a fall in bank and building society lending to £4.9bn last month from £5.2bn in October. Growth in M0, the Treasury's targeted monetary indicator, accelerated from 5.2 per cent in October to 5.7 per cent last month.

Yesterday's figures for investment next year are consistent with other recent data on the economy suggesting that next year is going to be one of slow growth. Growth in expenditure by consumers is expected to slow.

The value of total investment in manufacturing this year, after allowing for inflation, is expected to be £12.3bn - a record. For the past two years manufacturing investment has exceeded the previous record level of investment which occurred in 1979.

In the coming year the CSO estimates total investment volume will be £12.5bn, of which £10.7bn is direct capital investment and £1.78bn is in the form of leased assets.

This projection is sensitive to the CSO's inflation assumption for 1990; however, it would not provide the estimate.

City analysts said they were encouraged by the projection of a 1 per cent rise in investment next year. They noted that it was generally expected by private analysts that investment could fall next year. Annual GDP rise slows, Page 6.

Concern over 1992 fuels fax swindle

By Ian Hamilton Fazey

COMPANIES are receiving invoices for entries in bogus fax directories as swindlers reactivate computerised mailing lists to take advantage of Christmas.

Fraudsters try to take advantage of senior managers' holidays, hoping that junior staff with little experience will pay spurious invoices posted from continental Europe for proposed entries in non-existent directories.

At least eight bogus fax or telex directory operations came to light in the summer. "Invoices" from three swindlers have been delivered in the past week. They are identical in name received in August, except that the date has been changed to December 1.

Ms Jocelyn Jackson-Matthews of the Association of British Chambers of Commerce said fraudsters were also exploiting concern among companies about their preparedness for the European single market after 1992.

Ms Jackson-Matthews said: "They say companies need to subscribe to their directories to widen their European exposure. There is a danger of managers falling for this without thinking."

Two thousand bogus invoices were referred to the association's London offices in the first eight months of 1989.

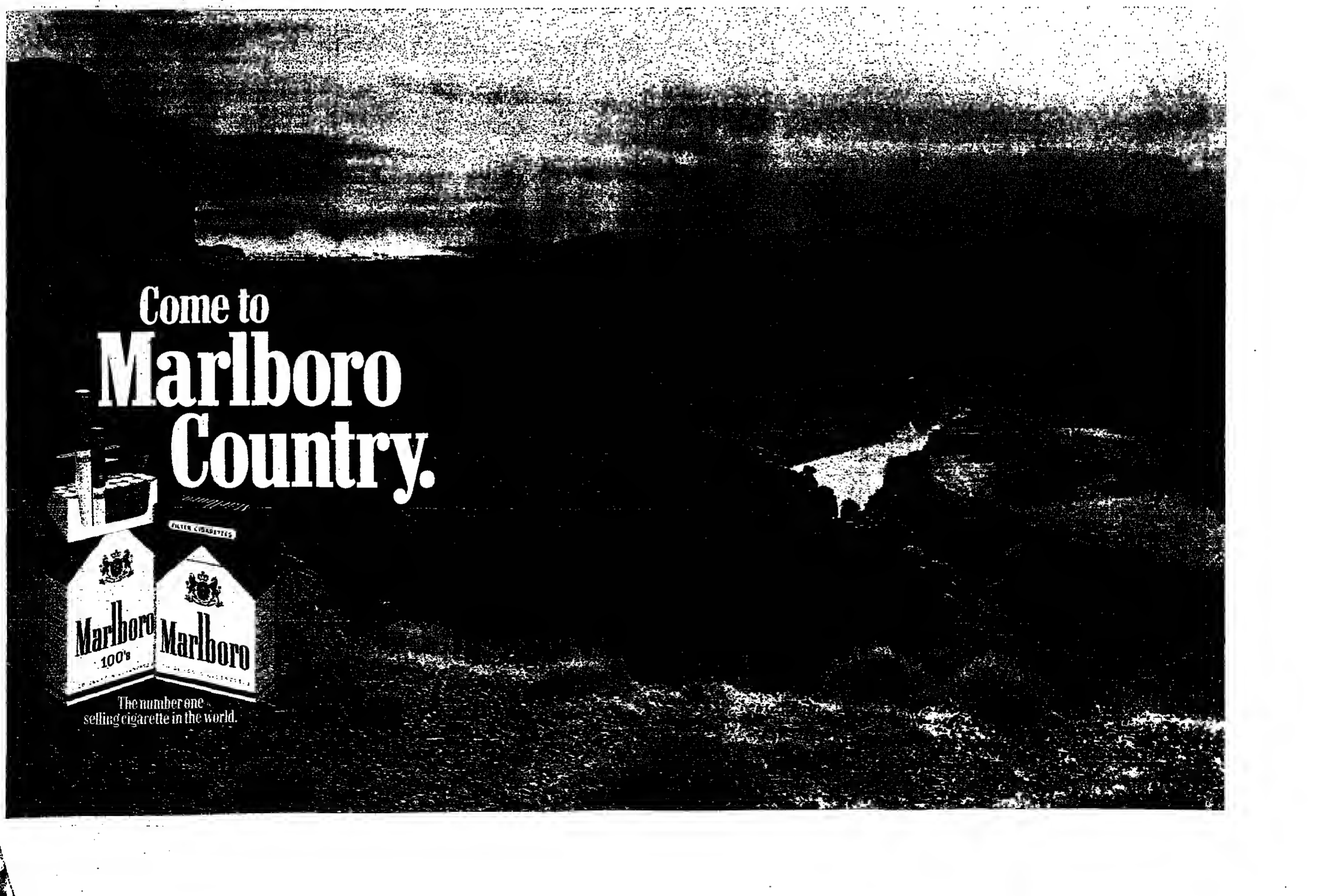
Ms Jackson-Matthews said many companies had paid, unaware that there could be no enforceable contract since all the "invoices" were illegal.

Police estimate that the fraudsters' return is between 2 and 5 per cent of mailed-out "invoices."

To make prosecution difficult, fraudsters prepare mailing lists in one country and post them from a second country to where the swindle is being attempted.

One of this week's attempted swindles involves "invoices" posted in Rotterdam for a directory allegedly published in Appenzel, Switzerland, where the money has to be sent.

An operation centred in Dublin comes in envelopes posted in Finland.



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Payments will be made on and after January 31, 1990 against presentation and surrender of Notes with coupons due January 31, 1991 and subsequent coupons attached, subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt-am-Main, London, or Paris or at the main offices of Swiss Bank Corporation in Basle, or Kredietbank S.A. Luxembourg in Luxembourg, by United States dollar check drawn on a bank in New York City and delivered or mailed to an address outside the United States or transfer to a United States dollar account maintained by the payee with a bank outside the United States.

The coupon due January 31, 1990 is to be detached and collected in the usual manner.

On and after January 31, 1990 the Notes will no longer be outstanding and interest thereon shall cease to accrue.

BOISE CASCADE CORPORATION
By: Morgan Guaranty Trust Company
of New York, Fiscal Agent

Dated: December 21, 1989

AVIATION IN ASIA & THE PACIFIC

The Financial Times proposes to publish this survey on:

20th February 1990

For a full editorial synopsis and advertisement details, please contact:

Penny Scott
on 01-873 3595

or write to her at:

Number One Southwark Bridge
London
SE1 9HL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

JAMAICA

The Financial Times proposes to publish this survey on:

8TH FEBRUARY 1990

For a full editorial synopsis and advertisement details, please contact:

Nigel Bicknell
on 01-873 3000

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SE1 9HL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

BUSINESS LAW

Bondholder suits in the US

By Leo Herzel and Richard W. Shepro

BONDHOLDERS GENERALLY see themselves as one of the big losers in highly leveraged acquisitions and recapitalisations. On the other hand, institutional bondholders have also been large gainers as target shareholders in these transactions.

Despite this, a few large institutional bondholders have been sufficiently troubled by price declines in their bonds to sue the issuers. Two recent cases have been decided summarily against the bondholders. Whether institutional bondholders ultimately win or lose these cases is less important than that they were willing to bring them.

A very short time ago, these bondholder suits would have been unthinkable. Institutional investors were a very important part of the solid consensus in the US behind the boom in takeovers and leveraged buy-outs. Their aggressive quest for short-term profits on the equity side helped to promote the kind of transaction attacked in these cases.

Hartford Fire Insurance Company sued Federated Department Stores and its former officers and directors over the sale of Federated to the Campean company. Hartford had bought \$25m worth of Federated notes in October 1987. Three months later Campean began its hostile bid. After several weeks of financial and legal skirmishing with the target and its white knight, R H Macy & Co, Campean emerged as the winner of the auction.

Relying on the anti-fraud provisions of the federal securities laws, Hartford argued that when Federated issued the notes it should have disclosed that it was a candidate for a potential takeover and also that its chairman had been considering a leveraged buy-out of his own.

The court found these omissions immaterial, applying the very general disclosure standards announced by the US Supreme Court last year. The plaintiff had not even alleged that Federated had anticipated any particular offer or had taken any steps towards a sale, and the chairman's plan was never more than a dream. Moreover, there had been frequent speculation in the financial press that Federated was a takeover.

Hartford's most interesting legal theory was that Federated had violated an "implied covenant of good faith and fair dealing" in the notes. In support of this theory Hartford argued that it had understood it was buying "conservative, low-risk notes in a financially sound and secure company committed to long-term growth. Actions that would alter the character of the company should not be permitted. However, since the indenture governing the notes expressly contemplated mergers, the court concluded that adoption of Hartford's argument would give it a windfall contractual protection.

Metropolitan Life Insurance sued RJR Nabisco over a similar set of facts. However, there were two differences - one favourable to MetLife and one not. The RJR leveraged buy-out by KKR began with a proposal for a leveraged buy-out by its chairman, Ross Johnson. As a result the company's management may have had more concrete information earlier and arguably the company was more responsible for the leveraged buy-out than Federated who had been the target of a surprise bid. On the other hand, MetLife was a longstanding bondholder who could not claim it had recently been misled to buy the bonds.

MetLife urged the same implied covenant theory as Hartford. RJR, MetLife contended, had frequently assured its bondholders that it would strive to maintain its high credit rating. However, the judge took a dim view of the implied covenant theory. He noted that MetLife was among the most sophisticated financial institutions in the country. A sophisticated bondholder, he implied, should not rely on informal assurances.

Moreover, in 1985 MetLife had voluntarily exchanged some RJR bonds that contained explicit debt limitations for bonds without these restrictions and internal MetLife memoranda had discussed the vulnerability of public bondholders to high leverage.

The mere existence of these cases is illustrative of a new sour point of view about takeovers in influential US circles. Economists provided the intellectual backbone and rhetoric for the takeover boom. Now they are beginning to question the most basic assumptions of the old consensus.

Recently, for example, the Massachusetts Institute of Technology Commission on Industrial Productivity said that hostile takeovers and leveraged buy-outs in the US cause "an excessive and dangerous overvaluation of short-term profitability."

Harvard Business School professor Jay Lorsch has just published an empirical study of boards of directors. He asserts as axiomatic that: "Choices have to be made between short and long-term shareholder interests. Long-term corporate health means considering other stakeholders."

Little more than a year ago these would have been fighting words in advanced business school circles in the US (and in the UK). Typical of old takeovers was the pre-eminence of immediate premiums for target shareholders.

Professor Michael Jensen, now also at Harvard Business School, has been an ingenious theorist, researcher and expositor for the takeover boom. Recently he has begun to distinguish between takeovers by cash-rich public companies (usually wasteful) and leveraged buy-outs, which he argues promote efficiency through the discipline of leverage and realistically large incentives for management.

Politicians are also deserting. Not long ago, Congress and the Reagan administration were being looked to for legislation restricting takeover defences. Now the takeover industry considers itself very lucky to escape anti-takeover tax law changes.

Snug over past deals sends out important signals of dissatisfaction but otherwise is not very useful. On the practical side, institutional investors are working hard to develop better protections for the future. The most direct way is to insist on more favourable terms to compensate for the risk. However, debt restrictions and other financial tests also are important ideas in this respect.

These have long been customary in bank loan agreements and in private debt placements. Issuers, however, are reluctant to agree to financial restrictions in public debt because they may be difficult to modify or refinance later.

On the other hand, if bank loans need modification the banks need incentives to be co-operative, such as higher interest rates or assurances of more business.

The "poison pill" is one device that is being experimented with to protect holders of public bonds against the risk of takeovers and increased leverage. The first poison pill required issuers to buy back the debt at the offering price after a hostile takeover.

However, the protection this affords is small because take-over defences such as poison pills and state anti-takeover laws, most hostile bids ultimately become friendly.

Improved poison pills attempt to cover negotiated acquisitions, recapitalisations, leveraged buy-outs and other substantial financial transactions that might leverage the company. Some poison pills do not become effective unless second ratings go down. Others are triggered merely by an acquisition of a large block of shares by a third party. However, this may create a risk that they could be attacked as an illegal takeover defence.

In the end, we should remember the laws of economics. Bondholders will have to pay a price to obtain these protections. Safer bonds will pay lower rates of interest and there may be fewer of them.

Hartford Fire Insurance Company v Federated Department Stores, CCH L Rep 94 744 (SDNY Oct 13 1989); Metropolitan Life Insurance Company v RJR Nabisco, 716 F Supp 1584 (SDNY June 1 1989).

Basic Inc v Levinson, 108 S Ct 912 (1989).

See Herzel & Shepro, "Shareholders and Leverage," Financial Times, January 5 1989.

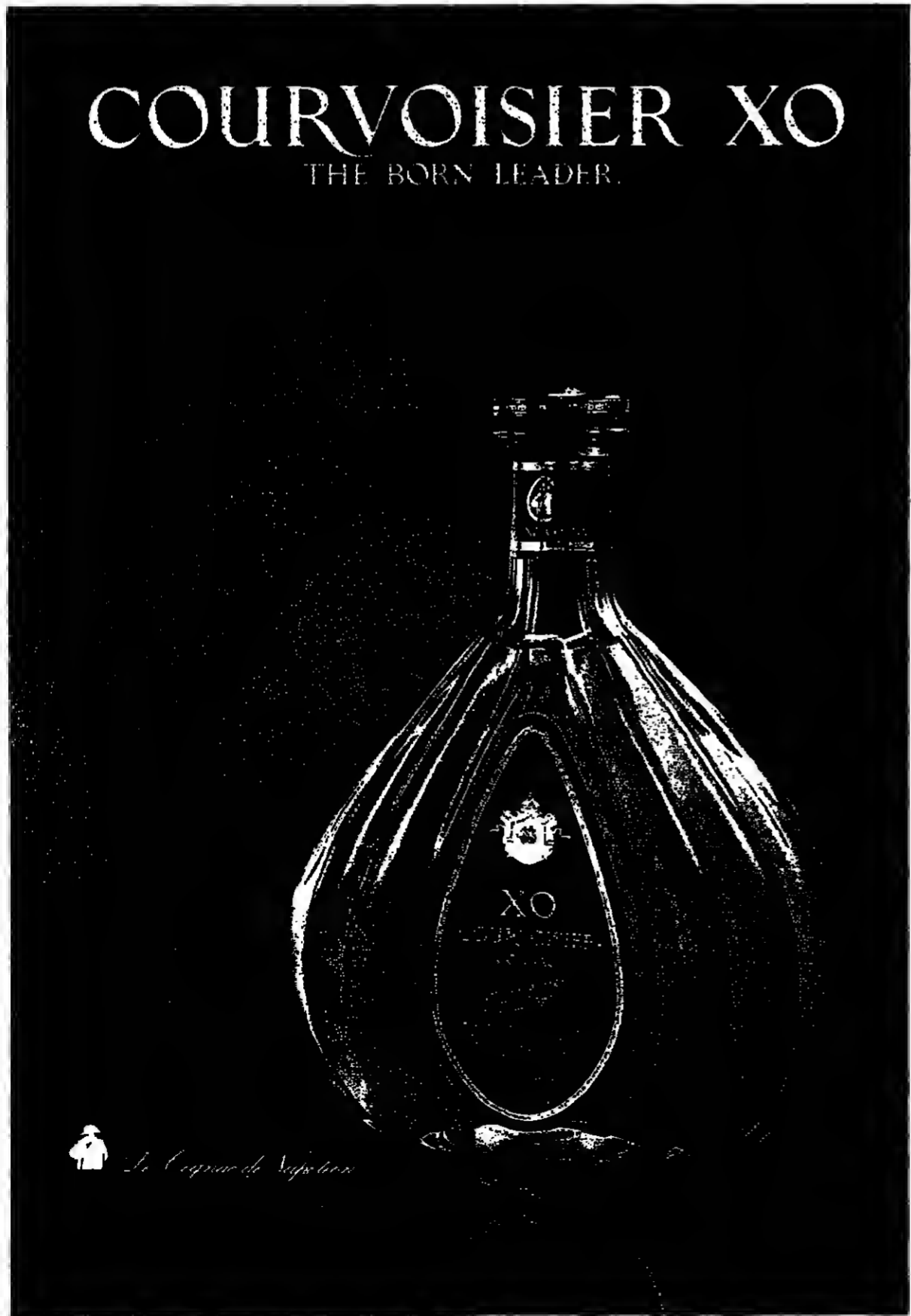
Darrouzos, Lester & Solon, Made in America: Regulating the Productive Edge, p.144 (1989).

Jay W. Lorsch, with Elizabeth Mocher, Powers of Potential, p. 108 (1989).

See Jensen, "Changes of the Public Corporation," 67 Harv Bus Rev 61 (September-October 1989).

See Herzel & Shepro, "Another Step Backwards for US Takeovers," Financial Times June 8 1989.

The authors are partners in Minter, Brown & Platt.



THE SOVIET UNION

The Financial Times proposes to publish a Survey on the above on

12th March 1990

For a full editorial synopsis and advertisement details, please contact:

Patricia Surridge
on 01-873 3426
or write to her at:

Number One, Southwark Bridge
London SE1 9HL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

UOB SUPER ECU FUND MANAGEMENT COMPANY S.A.
17, rue des Bains
L - 1212 LUXEMBOURG

Notice to UOB SUPER ECU FUND unit-holders

The Board of Directors of the UOB SUPER ECU FUND MANAGEMENT COMPANY S.A. informs the UOB SUPER ECU FUND unit-holders that the new Management Regulations as amended in accordance with the law of March 30th, 1988 on collective investment undertakings take effect as from September 15th, 1989. The Management Regulations were filed at the "Tribunal d'Arrondissement de et à Luxembourg" on September 15th, 1989.

The Management Regulations are at the disposal of the unit-holders at the registered office of the Management Company, from which a copy may be obtained.

The Board of Directors informs furthermore the unit-holders that the amount of the Fund's assets drawn up in ECU is increased from 50 to 75%.

The Board of Directors

QATAR

The Financial Times proposes to publish this survey on:

22 February 1990

For a full editorial synopsis and advertisement details, please contact:

Mrs Laurette Lecointe-Peacock
on 01-873 3515

or fax her on 01 873 3079-
or tlx 885033 FINTIM G

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Notice to the Holders of Warrants to subscribe up to \$14,545,000,000 for shares of common stock of

GAKKEN CO., LTD.
Issued in conjunction with its issue of U.S. \$100,000,000 4 1/8 per cent. Notes 1989

NOTICE IS HEREBY GIVEN as required by Clause 4 (F) (ii) of the Instrument dated 20th July, 1989 made by GAKKEN CO., LTD. (the "Company") in connection with its issue of warrants ("Warrants") to subscribe up to \$14,545,000,000 for shares of common stock of the Company, and in accordance with Condition 11 of the Terms and Conditions of the Warrants, that the Company has executed a Supplemental Instrument on Conditions of the Warrants. The Company changed, at its annual general meeting of the shareholders held on 28th November, 1989, with immediate effect from such date, its financial year-end from 31st August to 31st March. As a transitional measure, the Company will have a 7-month financial period from 1st March of the following year.

Accordingly, the record date for the payment by the Company of annual cash dividends and interim dividends will become 31st March and 30th September, respectively, in each year.

The Dividend Accrual Period (as defined in Condition 4 of the Terms and Conditions of the Warrants), from the date of execution of the Supplemental Instrument, will be the seven-month period from 1st September, 1989 ending on 31st March, 1990 and thereafter each six-month period ending on 31st March or 30th September in each year. Except for the change in the Dividend Accrual Period, the Terms and Conditions of the Warrants shall remain unmodified.

In the opinion of the Company and The Fuji Bank and Trust Company, as Disbursement Agent with reference to Condition 12(B) of the Terms and Conditions of the Warrants, this modification is not materially prejudicial to the interests of the Warrant-holders.

GAKKEN CO., LTD.
40-S, Kami-Isohri 4-chome, Otsubo, Tokyo, Japan
By: THE FUJI BANK AND TRUST COMPANY
as Disbursement Agent

21st December, 1989

COMPANY NOTICES

TRONOH MINES MALAYSIA BERHAD
(Incorporated in Malaysia)

ANNOUNCEMENT TO SHAREHOLDERS

In compliance with Section 101A of the Listing Requirements of the Kuala Lumpur Stock Exchange (KLSE) relating to the delisting of Malaysian incorporated companies from the Official List of the Stock Exchange of Singapore Ltd (SES), the Board of Tronoh Mines Malaysia Berhad has resolved to delist the Company from the Official List of the SES with effect from 1st January, 1990.

The company will however continue to be listed on the Official List of the KLSE and the International Stock Exchange of London.

By order of the Board
WAN MOHAMMAD WAN YUSOFF
Secretary

London Agents:
Windsor Corporate Services Limited
40 Holborn Viaduct
London EC1P 1AJ

Kuala Lumpur
21st December, 1989

CREDIT D'EQUIPEMENT
DES PETITES ET MOYENNES ENTREPRISES

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11 1/4% Guaranteed Bonds 1995
(Convertible at holders' option into U.S. Dollar denominated Guaranteed Floating Rate Notes 1995)

For the period 19th December, 1989 to 19th June, 1990 the Floating Rate Notes will carry an interest rate of 8 1/4% per annum and coupon amount of U.S. \$65.63 per U.S.\$1,550 Note, payable on 19th June, 1990.

Bankers Trust Company, London Agent Bank

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NEXT GENERATION CHEMISTRY

ARTS

CINEMA

Human values gallop up the schmaltz charts

Reader, do you remember, long before space epics, cop operas and horror sagas engulfed our screens in the 1970s and 1980s, there used to be films about Personal Relationships? You may recall that in these movies a boy would meet a girl and fall in love. Or a family would come together in radiant solidarity, after some token weeping and fighting. Or lovable Moms and Pops would hand down wisdom to the next generation or the one after that.



'Family Business': Matthew Broderick, Sean Connery and Dustin Hoffman

tions somewhat after his recent output (*The Color Purple*, *The Empire of the Sun*). Always is his most maddening movie to date. Visually inspired, it paints with wondrous detail the firefighting scenes in the American North-west, where hero Richard Dreyfuss rides his plane through flame and smoke. And it haloes in an eerie radiance the early scenes of Dreyfuss's return from the dead to be guardian angel to the woman he loves (Holly Hunter).

But after a fine start the film, culled from a 1943 Spencer Tracy movie *A Guy Named Joe*, becomes a thing of bizarre threads and patches. Andrey Hepburn contributes a fee cameo as a heavenly guide-cum-hairdresser (sic) and newcomer Brad Johnson struggles with the ill-developed role of Miss Hunter's later boyfriend. The film owes all its emotional life to Dreyfuss and Hunter - both superb - and all its cinematic life to Spielberg's flair, even in a faltering story, for blending light, colour and camera-movement into a mystical movie music.

Elsewhere in Hollywood, the new sentimentality is rampant. *Turner and Hooch* stars Tom Hanks in a wisecracking cop-and-dog comedy from Disney. *Steel Magnolias* stars every known woman in Hollywood (Shirley MacLaine, Sally Field, Daryl Hannah, Dolly Parton, Olympia Dukakis...)



Miyako Yoshida and Petter Jacobsson in 'Dances Concertante'

MacMillan Ballets

SADLER'S WELLS

Was it really 35 years ago (all but a month) that we cheered the first performance of *Dances Concertantes* at the Wells? This was the young Kenneth MacMillan's first professional creation after a couple of workshop essays, and its flood of steps and ideas about how dancers could look; its quick wit and madly chic manner, delighted us. On Tuesday night, when Sadler's Wells Royal Ballet began its Christmas season, we cheered again as *Dances* opened a MacMillan programme to celebrate the choreographer's 60th birthday.

It is an astonishing piece, so full of tricks and quirks as fingers point, and poses freeze, and hands become masks, and it is still fresh and exhilarating. The reason is not hard to find, for everywhere the academic vocabulary has been respected and understood, as youthful energy tilts and twists an idea, or says that the cinema and social manners can fire the way classic steps are used.

starting to take chances with images. The key gesture (linked hands unable to break out of a circular movement) which identifies the contained frustrations of the eldest daughter in this house of women; the ape-like stance of the man, are carved from their personalities and tell all we need to know to understand them. Marion Tait came fresh to the role of the Eldest Sister on Tuesday and claimed it for her own; Joseph Cipolla showed the erotic force of the man, though he doesn't yet look quite carthy enough; Karen Donovan I thought fine in the hysteria of the Jealous Sister.

Bonnie Moore, who played the all-too-eager Youngest Sister very well, transformed herself for the final piece of the evening. *Solitaire* was made a year after *Dances Concertantes*, and its sunny and wistful games were then given their focus in the performance of Margaret Hill, so tender, sensitive and suddenly joyful. No subsequent interpreters have had been many, but quite caught the combination of dreams and merriment that made Miss Hill's portrayal so infinitely charming. Until Bonnie Moore. Because she does not force a single effect and avoids the least sentimentality, and because she dances with the lightest and prettiest ease, Miss Moore restores to *Solitaire* its pristine charm, its heart. The evening had been one in which we could voice our gratitude to a choreographer who has made tremendous things for our national ballet in this sunny and uncomplicated work. Bonnie Moore told something very beautiful and true about his talent, and about her own gifts.

Clement Crisp



Patricia Hodge and Simon Cadell

Noël and Gertie

COMEDY THEATRE

I know Gertrude Lawrence only through records and the cinema. I remember my disappointment at the first glimpse at the NPT, in a boulevard comedy with a witless, aristocratic Olivier, of a cheerful, ordinary-looking woman with an over-high forehead and an over-large nose. By the end of the film her exultance had made even Olivier pale. She had the great actor's gift of making everything she did or said seem absolutely spontaneous, as if she had just thought of it and was slightly surprised herself. In Noël Coward's words, quoted in this tribute by Sheridan Morley to their partnership, she had "something very great indeed."

Part of the trouble lies in the absence of tension, plot or conflict. A radio documentary this may be; two and a half hours of theatre, not quite. Minimally directed by Alan Strachan against swivelling panels that take a variety of scene-setting projections, the first half takes us from the children's meeting in 1913 to their performances in *Tonight at 8.30* over 20 years later.

The show reminds us of such excellent Coward rarities as "Come the Wild, Wild Weather" and to what the appetite for revivals of the plays. *Billie's Spirit* and *Private Lives* may be frequent visitors to our stages, but these excerpts rarely do long to see them again. Perhaps Noël, as well as Gertie, had "something very great." But neither professionally nor personally is the relationship explored here any deeper than Lechner Five and Nine.

Martin Hoyle

Dick Whittington

EVERYMAN, CHELTENHAM

Cheltenham has gone back to old-fashioned pantomime, though the book by Fine Time Fontayne (who also produces) has a modern sound to it despite such classic lines as "Look behind you!" and "O yes I do!" and "She's gone to the toilet" (a fairly recent classic).

It was pleasant to see all the familiar notions played as if they were novelties. No jokes about television figures, though Fitzwarren, always liable to error, announces that his ship will sail on Fersil. "The Tide, father!" Alice corrects him.

B.A. Young

ARTS GUIDE

EXHIBITIONS

London: The Royal Academy. Inigo Jones, Architect - a full study and exquisite show of the intimate drawings and designs of the greatest of British architects, only excepting Sir Christopher Wren. Jones was architect to James I and Charles I, and Greenwich Hospital, St Paul's in Covent Garden and the Banqueting House in Whitehall remain to us as his masterpiece. Until February 26, except bank holidays. National Portrait Gallery, Centenary Portraits from the Collection 1658-1958 - a necessarily brisk but delightful and intriguing survey-cum-150th anniversary celebration. Until January 21.

Paris: Musée des Arts Décoratifs. In situ is Cahier - Picasso's sketchbooks. After two years of mending the world over, the exhibition ends, apply, in Paris. The 40 sketchbooks covering a period of 84 years follow closely Picasso's development. There are exhibit flat planes decomposing reality next to the fitness of neo-classical figures, there is the almost sugary rendering of the mother and child theme next to the cruelly distorted female faces, there are all the facets of Picasso's inventive genius. 107, Rue de Rivoli (42602214), closed Tues. Ends Dec 31.

Brussels: Musée Royal des Beaux-Arts. Seventeenth century Dutch paintings, a selection from the museum's collection of Flemish and Dutch masters. Closed Monday, ends Feb.

Rome: Galleria Nazionale dell'Arte Moderna. Bertel Thorvaldsen (1770-1844). Sculptures, reliefs, portrait busts and drawings by the prolific and talented Danish artist who spent nearly 40 years of his working life in Rome. Neo-classic in style, his works are heavily romantic, but with a purity and simplicity of line which holds them just short of sentimentality. Most of the works have been lent by the Thorvaldsen Museum in Copenhagen, built after his death to house both his own enormous output and the fine collection of paintings by contemporaries, which form part of this exhibition, and are fascinating both for their quality and documentary interest. Ends Jan 22.

Milan: Palazzo Reale. Fernand Léger retrospective: includes over 150 works - paintings, and book illustrations. Ends Feb 18.

Madrid: Fundación Juan March. Retrospective of Edward Hopper: the autumn season at the foundation. 61 works by the New York realist covering a period of 56 years. Until Jan 4.

Frankfurt: Kunsterverein, Markt 44. The Frankfurt Kunsterverein is the first stop on a European tour of the works by the American sculptor Louise Bourgeois. After nearly 20 years unknown, she had her first retrospective in New York in 1983, organised by the Museum of Modern Art. The museum's director Mr Westerman has organised the biggest retrospective to date with 150 sculptures and some early paintings by Louise Bourgeois, now aged 77. Ends Jan 22.

Munich: Städtische Galerie im Lehmkuhlerhaus. The most complete retrospective of the expressionist painter Karl Schmidt-Rottluff to date with almost 370 works from 70 private and public collections. After the Kirschner and Heckel exhibitions, this is the third significant project from one of the founding members of the Die Brücke group. Schmidt-Rottluff, who died in Berlin in 1976, was strongly attacked during the Nazi years.

WORLD BOND FUND (SICAV)
Registered Office: 10 boulevard Roosevelt,
Boite Postale 408, L-2014 Luxembourg,
R.C. Luxembourg: B23.040
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
The Annual General Meeting of Shareholders of World Bond Fund will be held at its registered office at 10, boulevard Roosevelt, Luxembourg, at 11 a.m. on 16th January, 1990, for the purpose of considering and voting upon the following matters:
Agenda
1. To accept the Directors' and Auditors' reports and to approve the financial statements for the year ended 31st August, 1989.
2. To declare a dividend for the year ended 31st August, 1989, of US\$0.20 per share as recommended by the Board, and to fix its date of payment.
3. To discharge the Directors from their responsibilities for all actions taken within their mandate during the year ended 31st August, 1989.
4. To re-elect the Directors holding office at present.
5. To decide on any other business which may properly come before the Meeting.
Voting
Resolutions may be passed without a quorum, by a simple majority of the votes cast thereat at the Meeting.
Voting Arrangements
Shareholders who cannot attend the Meeting in person are invited to send a duly completed and signed proxy form to the registered office of the Fund to arrive not later than 9th January, 1990. Proxy forms will be sent to registered shareholders with a copy of this Notice and can also be obtained from the registered office.

NELSON BAKEWELL CHARTERED SURVEYORS A TRADITIONAL SERVICE IN THE MODERN MANNER 01-629 6501

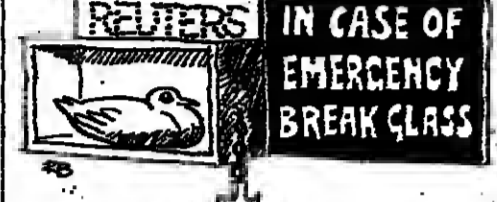
DOUGLAS CONSTRUCTION GROUP Committed to Quality

INSIDE

Overseas buyers move into Toytown

First there was Corgi; then Kidkraft. No sooner had the ink dried on the deal to sell die-cast model car maker Corgi to Mattel and Hestair, the personnel services and consumer products group which last week agreed a £192m bid from BET, the business services company, had sold its Kidkraft toy-making subsidiary for £13m. The disposal to Quaker Oats, the Chicago food and toy group which already owns Fisher Price, is part of Hestair's strategy of focusing on its core personnel services businesses. Coming after the Corgi deal, it marks a further step in the sale of UK toy companies to overseas buyers. Page 20

Currency market to the world



Ever since its founder, Paul Julius Reuter, released a carrier pigeon to plug the gap in the European telegraphic system in 1849, Reuters, the news and information organisation, has prided itself on reaching far-flung parts of the globe. More than a century after the flight of the carrier pigeon, in 1971, came the breakdown of the Bretton Woods system of fixed exchange rates. And - ever quick to exploit new markets - Reuters soon afterwards launched a screen-based exchange rate quotation service. To many people, Reuters is now the world's foreign currency market. Rachel Johnson reports. Page 19

Plenty to smile about

Many people would not be too happy about the acquisition of a stake in their business by a foreign country. But Banco Central, Spain's largest industrial bank, has plenty of reason to be pleased by the acquisition of a 3.5 per cent stake in it by Bouygues, Europe's largest construction company. For, while the FF900m deal gives the company important access to Spanish financial and industrial circles at a time when the country is embarking on a massive investment in infrastructure, it also brings a friendly shareholder to the bank, whose management has long been seeking to strengthen its hand against an unfriendly minority investment group. Page 16

Eagle takes to the road

AA Insurance Services, the leading UK personal lines broker with 1.5m motor and 500,000 household policies, was already a fledgling of Eagle Star, but - saying that the Financial Services Act had made it difficult to produce life products suitable for AA customers - it yesterday forged a stronger link with the UK composite insurer that is a subsidiary of BAT Industries. Eagle Star did not disclose the price it had paid for the 24 per cent stake in the AA's insurance and financial services arm, but it did say that the joint venture with the AA would enable it to sell life and investment products to the AA's 7m members and insurance customers. Page 20

Market Statistics table with columns for Base lending rates, Benchmark Govt bonds, European options each, FT-4 indices, FT-100 world indices, FT 1st bond service, Financial futures, Foreign exchanges, London recent issues.

Companies in this section table listing various companies like BET, Bombay Dyeing, Brit & Commonwealth, Bunnings, Coats Vytella, Colson Development, Coppard, Credit Lyonnais, Credit Suisse, Electronic Data, Ericsson, Europa Minerals, Faupeil Trading, Federal Express, Finland, Gramplan Holdings, Hestair, Hughes Food, Interflight, International City, Int'l bonds, KCR, Magnet, Metal Closures.

Chief price changes yesterday table listing various financial instruments like Treasury (GBP), Swiss Franc, Euro Franc, Deutsche Mark, Yen, etc.

Gillette buys into Wilkinson Sword

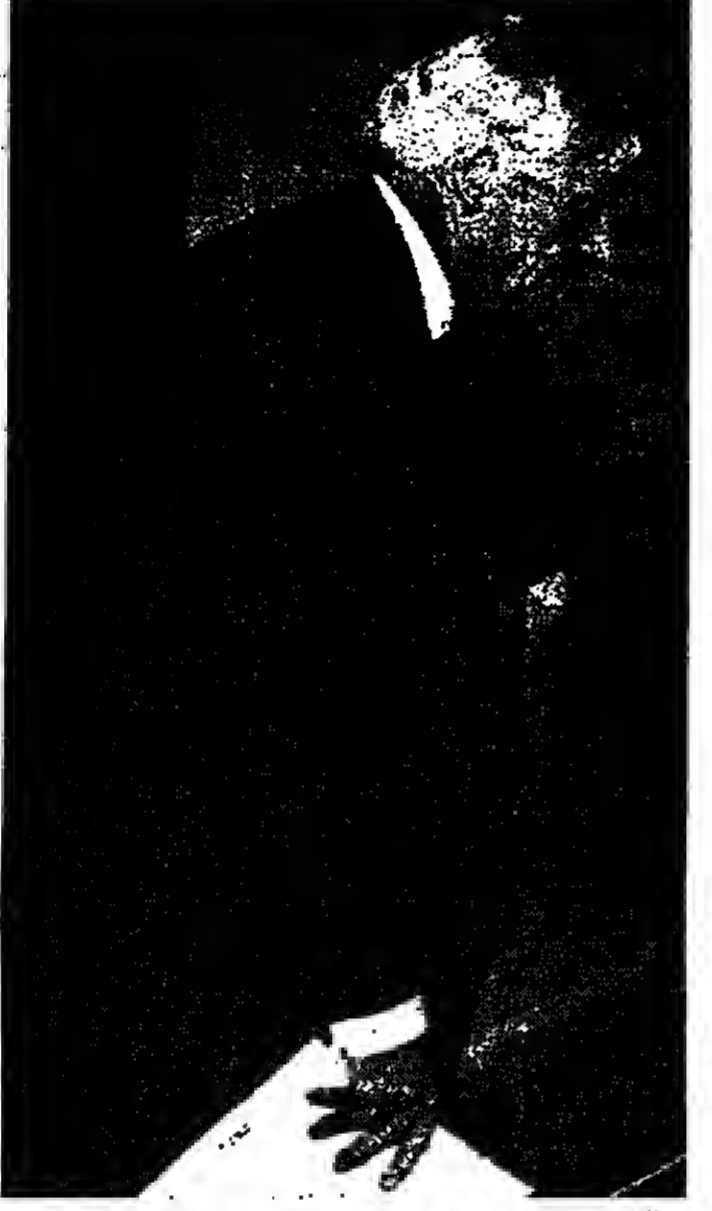
By Robert Taylor in Stockholm

GILLETTE, the US-based world leader in razors and blades, is to buy all of shaving products rival Wilkinson Sword's operations outside the European Community. Gillette will also have a significant minority interest in Wilkinson's EC operations after yesterday's sale by Stora of Sweden of its consumer products businesses to a Scandinavian-US consortium. Wilkinson's non-EC sales accounted for about 40 per cent of total turnover last year of SKr1.4bn (\$220m). Gillette was prevented by competition rules within the EC from buying Wilkinson's global business. Yesterday's \$630m sale by Stora, Europe's biggest pulp and paper producer, involved not only Wilkinson, but also matches, including Bryant & May in the UK, and disposable lighters. All were bought as part of Stora's SKr5.5bn purchase of Swedish Match in May last year. Gillette is to have 24.5 per cent of the equity in the new enterprise but no voting rights or seats on the board. It is paying \$70m for Wilkinson's non-EC business. Yesterday's sale marks the fourth time Wilkinson has changed hands since 1973. JP Morgan Capital Corporation of the US will have 22.9 per cent of the equity in the new company, but most of that will also be non-voting. More than 90 per cent of the voting rights will be held by the Scandinavian, mainly Swedish, members of the consortium. SFP, the Swedish insurance company, will have 20.2 per cent of the equity. Other owners include the Standard insurance company (9.8 per cent), Kjobenhavns Handelsbank in Denmark (8.7 per cent) and Sweden's Spira Invest. The new company will be domiciled in the Netherlands with its operating management in Switzerland, Swedish Match's base before the Stora takeover. Mr Massimo Rosta of Swedish Match will continue as president and chief executive officer. He said yesterday the deal was the "best possible solution" because it preserved Swedish Match as an independent entity with a continuity of management. The new company, however, would divest its non-European operations over the next two years to concentrate on the EC market, which already accounts for 70 per cent of its business. Mr Bo Berggren, Stora's president and chief executive officer, said the "beauty of the solution" was that it "fulfilled all the priorities of the parties concerned." The fact that the new company would be controlled by a Swedish-dominated consortium was a relief to the Swedish government and trade unions, he added. They had feared Stora's sale might have weakened the Swedish identity of the consumer product business. Consumer products made up 20 per cent of the annual turnover of Swedish Match before its acquisition by Stora. Swedish Match accounts for a quarter of the world's sales of matches. It is one of the three leading producers of disposable lighters, where its brands include Clipper, and in the top four in shaving products. Last year, it had sales of SKr5.37bn and profits after depreciation of SKr100m. In the first eight months of this year, Swedish Match reported turnover of SKr7.62bn and operating profits of SKr190m. Stora announced its disposal intentions in June. Mr Berggren said it had taken difficult and complicated discussions to complete the deal, mainly because Swedish Match had more than 100 legal articles covering its operations in 36 countries.

Ferranti family pushes for publication of report

By Hugo Dixon in London

THE BOARD of Ferranti International came under attack from the Ferranti family yesterday. At a reconvened annual general meeting the directors were criticised over the way they are handling the crisis that has engulfed the UK defence electronics group. The family trust said it would be taking legal advice to see if it could force the company to publish a report into a £215m (\$344m) fraud Ferranti says it has suffered. The group commissioned the study from Coopers & Lybrand, the accountants. A version of the C&L report has already been made available in confidence to companies considering bidding for Ferranti and the family is worried that potential bidders would have more information than shareholders. Mr Ian Mackenzie-Sandbach, an executor of the late Mr Basil de Ferranti's estate, which owns over 10m shares, less than 1.5 per cent of the total, also pressed the company to take on new directors who had not been associated with previous disasters. He said, after the meeting, that he was not asking for a wholesale sacking of the board, but thought it was essential that a few extra directors were in place before important decisions were taken on the company's future. And Adrian de Ferranti, one of Mr Basil de Ferranti's sons, was highly critical of Sir Derek Alun-Jones, the company's executive chairman, at the meeting. He said later: "I think it is right and proper that he should go." Sir Derek defended the company's decision not to publish the C&L report on the grounds that Ferranti would be using it widely in litigation it is planning to recover lost funds. "I certainly wouldn't want to remain if a substantial proportion of holders was not supporting the board." All the resolutions at the meeting were passed, including the re-election of three directors, although in each case there were large numbers of abstentions. The meeting also agreed to change the company's name from Ferranti International Signal to Ferranti International. Lex, Page 14



Projecting an image of being concerned and regretful: Sir Derek Alun-Jones, chairman, leaves Ferranti's annual meeting yesterday

Laughter among the tears

Ferranti's annual meeting was so full of hilarity that one almost forgot the plight the defence electronics group finds itself in. The star of the show was Dr David Sofer, a private shareholder who has quadrupled his stake in Ferranti in the months since the company announced that it had been defrauded of £215m. He began by saying what a splendid company Ferranti was and by telling Sir Derek Alun-Jones, the group's chairman, how heartened he was, as a senior physician, by how well Sir Derek looked. "Let me urge you never to sell the seed corn," he continued, warning to his theme. "You can always ask us for money, and I would be willing to fork out. It was difficult to say how much was genuine, how much ironic."

But Dr Sofer did take issue with the size of the same plates each director had in front of him. They were so small, he said, that "nobody without binoculars could decipher them. I wonder if there is any purpose in that. If there is such a purpose, I suggest they hide under the table." Finally, he said it was very strange that uncovering the fraud had taken so long. The affair "reminds me of a doctor friend of mine who had all his shirts stolen by his cleaner and only discovered this when he had one more shirt to wear." Sir Derek and his board found a number of supporters among his shareholders. Mr David Warner, for example, argued against replacing the board on the grounds that "The people who got into this mess are best placed to sort it out."

Japanese clothing group takes majority holding in Hugo Boss

By Haig Simonian in Frankfurt

HUGO BOSS, the West German men's fashion group, has sold a majority of its ordinary equity to Leyton House, a Japanese concern, where it bought a 75 per cent share in Joseph & Yess, the US quality menswear group, for DM220m (\$127.2m) earlier this year, the Pacific was one of the most important areas for future growth, it said. Attempts to dampen speculation about its future course, Boss said profits and sales for this year were on target. Moreover, the UK textiles company, was planning to take a majority stake. The story was denied by both sides. Leyton House is a private Japanese company, owned by Mr Akira Akagi. It specialises in sports and leisure wear. Neither the precise size of its stake in Boss, nor the price paid, were revealed. In a terse announcement, Boss said the aim of the deal was to improve its access to the Pacific market. Along with North America, where it bought a 75 per cent share in Joseph & Yess, the US quality menswear group, for DM220m (\$127.2m) earlier this year, the Pacific was one of the most important areas for future growth, it said. Attempts to dampen speculation about its future course, Boss said profits and sales for this year were on target. Moreover, the UK textiles company, was planning to take a majority stake. The story was denied by both sides. Leyton House is a private Japanese company, owned by Mr Akira Akagi. It specialises in sports and leisure wear. Neither the precise size of its stake in Boss, nor the price paid, were revealed. In a terse

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SmithKline sells UHU for \$156m

By Andrew Bolger in London

SMITHKLINE BEECHAM, the Anglo-American pharmaceuticals and consumer products company, yesterday announced the sale of its worldwide UHU Adhesives business for DM280m (\$156m). It is being bought by HSC-Verfahrensgesellschaft, a new Frankfurt-based consortium comprising the present management of UHU, two industrial investors and Citicorp Venture Capital. The industrial investors are the Fabell-Castell Corp, the current distributors of UHU in the US, and Bolton Developments, which is involved in the distribution of UHU in Italy. The disposal follows the merger of the Beecham Group and the SmithKline Beecham Corporation at the end of July. The enlarged company is giving increasing emphasis to the development of its international healthcare business. Analysts said the price obtained for UHU was above market expectations and SmithKline's shares closed 8p higher at 588p. Between 1986 and 1987, Beecham disposed of a number of home improvement businesses in the UK, continental Europe and the US. With the sale of UHU Adhesives, SmithKline will have completed its withdrawal from this product category. The UHU business is based at Buhl, near Baden-Baden in West Germany, where it was first launched in 1932. UHU, which was acquired by Beecham in 1970, makes and markets a range of household adhesives sold in some 50 countries, including France, Italy and the US. UHU had annual sales of £43m

In the year to March 31. Of the total bid consideration, DM280m will be paid in cash and the remainder will be payable by vendor notes maturing during the next seven years. SmithKline is still seeking a buyer for its cosmetics division which it intends to split into two units, covering the UK and continental Europe. These have annual sales of about £240m and £160m. SmithKline said a reorganisation of the enlarged group's pharmaceutical operations in West Germany would involve the ending of production at Göttingen. Munich will be head office and Gronau, near Hanover, will be the centre for production and distribution. Neuss, beside Düsseldorf, has been chosen as the centre for pharmacological research.

British Land scraps proposals

By Nikki Tait in London

AN INSTITUTIONAL revolt over the controversial restructuring scheme put forward by British Land has obliged the large property group, headed by Mr John Rithlat, to withdraw its proposals. British Land's decision, announced yesterday morning, came just 24 hours before the deal was due to be put in a shareholders' meeting. Formally, the meeting will still go ahead but the resolution will not be put forward. A statement from British Land said only that a "significant minority" of shareholders had indicated that they would vote against the proposals. However, it seems that the property company stood little chance of gaining sufficient support for the deal to go through. It would have needed 50 per cent of shareholders' votes to have been in favour. Considerable opposition surfaced over the past week, with a number of large life offices and pension funds registering public dislike of certain aspects of the scheme. On Tuesday night, Robert Fleming Asset Management, one of British Land's two biggest shareholders, with 7.34 per cent stake, also decided to vote against the restructuring proposals. The other major shareholder, Mercury Asset Management, was due to reach a decision by early yesterday morning. However, S. G. Warburg, advising British Land, claimed that the decision to withdraw the proposals was made without knowing MAM's intentions, and would have been unaffected by them. Yesterday, a number of fund managers who had been unhappy about the small print of the restructuring said that they welcomed British Land's move - one of the most dramatic climb-downs by a company in face of institutional pressure in recent years. "I'm very pleased that they've taken our views on board," commented one Scottish life office. Nevertheless, a number of institutions added that they would still like to see a modified version of the scheme go ahead. "I hope it's not going to die," remarked one insurance company fund manager. "But it's highly complex - you get into horse-trading and you'll never get all institutions agreeing on what is acceptable." Shares in British Land ended unchanged at 329p. Lex, Page 14

Elosua, S.A. 868,071 Shares. The undersigned arranged the private placement of these securities with two institutional investors. Prudential-Bache Capital Funding. November 1989

INTERNATIONAL COMPANIES AND FINANCE

Wärtsilä may merge with building materials group

By Enrique Tessleri in Helsinki

LOHJA, the Finnish building materials and electronics group, has bought a 20.2 per cent stake in Wärtsilä, the Finnish diesel engines, security and sanitary equipment group, and the two companies are considering a merger. The potential deal comes only two months after Wärtsilä's marine division, one of Europe's largest privately-owned shipbuilders, filed for Finland's biggest ever bankruptcy. "Even if we've purchased 20.2 per cent of Wärtsilä, we are studying the possibility of merging both companies," said Mr Georg Ehrnrooth, president and chief executive of Lohja. "It is still unclear how these companies will merge; if Wärtsilä will merge into Lohja or Lohja into Wärtsilä," he added. Mr Ehrnrooth said both companies would sign a letter of intent to merge by next spring and that "the actual merger

would take place 6 to 8 months after this decision." Lohja's minority stake in Wärtsilä is valued at Fm803m (\$195.32m), and took place through the issue of 1.5m restricted series I shares at a price of Fm335 apiece. In return Wärtsilä will pay Fm425m for 50 per cent of Ovako Steel, a Finnish-Swedish specialised steel group, and a cash sum of Fm377m. Analysts speculate that Lohja's recent foothold in Wärtsilä probably means that the wealthy Ehrnrooth family, which has stakes in large Finnish companies such as Lohja and Ovako Steel, may be jockeying for a strong presence within the new company to be formed between Lohja and Wärtsilä. The Lohja-Wärtsilä deal has also caused a major shake up within Wärtsilä's management. Mr Pekka Laune, the president and chief executive of Wärtsilä

Corporation, has turned in his resignation, that will be effective after December 31. At an extraordinary board meeting to take place on January 15, all Wärtsilä's board members have agreed to give up their seats. "Wärtsilä Marine has triggered the present situation," said Mr Klaus Gronhøj, the new acting president of Wärtsilä Corporation from January 1 1990 until the merger materialises. "After we lost our shipbuilding sector we lost our identity. Our relationship with Lohja helps us find a new identity in the building materials sector. This reality will allow us to be competitive in Europe as well." According to Lohja officials, if both companies merge their combined turnover will amount to around Fm10bn and they will jointly employ 15,000 to 16,000 persons.

Ericsson and Nobel launch joint company

By Robert Taylor in Stockholm

ERICSSON, the leading Swedish telecommunications group, and Nobel Industries, the Swedish industrial and defence products company, announced yesterday that they intended to work together in the manufacture of command and control systems through the creation of a joint company Bofors Electronics AB. The new company, which will come into effect on January 1 1990, will be 80 per cent owned by the Bofors company and the rest by Ericsson. It means the concentration of Bofors electronics with Ericsson's radar electronic division and control systems. It will take responsibility for the development, manufacture and marketing of advanced electronic systems for defence and civil applications. The annual turnover of the two units together amounts to \$310m. Commenting on the merger Mr Bjorn Svedberg, Ericsson's chief executive officer said: "Those projects which are of interest to the command and control systems demand an investment in engineering talent. A co-ordination of the expertise that is available in Sweden is thus a logical and natural step to take." Mr Anders Carlberg, Nobel Industries chief executive officer, said that the merger opened the way to "gains through rationalisations, in comparison with the non-merger option." Mr Carlberg added: "These will primarily manifest themselves in a more effective use of the base technology and development resources, as well as the avoidance of duplication." Up until now command and control systems development and production in Ericsson and Nobel has been complementary, with an emphasis in Ericsson on air defence and civilian air traffic control and in Nobel on naval systems. "There was, however, a risk of duplication in recent command and control system projects for the Swedish air force, which will now be avoided as a result of the merger

Bouygues buys into Spanish bank

By William Dawkins in Madrid

BOUYGUES, Europe's largest construction company yesterday paid just over FF900m (\$151.77m) for a 3.5 per cent stake in Banco Central, Spain's largest industrial bank. The deal, the fruit of seven months of secret negotiations, gives Bouygues vital access to Spanish financial and industrial circles at a time when the country is embarking on a massive investment in infrastructure. It also brings a friendly shareholder to the bank, whose management has long been seeking to strengthen its hand against an unfriendly minority investment group. "This marks a fundamental stage for our group in its European development," said Mr Martin Bouygues, who three months ago took over as group chairman after the retirement of his father, Mr Francis Bouygues, and will now take a board seat at Banco Central. The purchase makes Bouygues the second largest shareholder in the bank after Carreira Central, the investment

group which holds 12.5 per cent and which has been continuously critical of Banco Central's management. The bank has an immense industrial portfolio, worth the equivalent of FF7bn, in sectors stretching from petrochemicals to private motorways, mining and steel production. Mr Alfonso Escamez, Banco Central president, who warmly welcomed the deal, said they would also be seeking joint projects throughout Europe. For the bank, the gains from the share sale will also help this year's profits, which rose to the equivalent of FF3.2bn pre-tax for the first nine months to the end of September from FF1.7bn after tax for the whole of 1989. Bouygues estimates that a mere FF740m of its FF56bn turnover will come from Spain in 1989, but aims to turn that into "several billion" within the next few years, according to Mr Olivier Poupard-Lafarge, the French group's finance director.

"Our aim is to make a financial investment which manifests our confidence in the Spanish economy," said Mr Poupard-Lafarge. Bouygues said it was too early to identify precise projects in which it might get involved. The biggest immediate possibility was a proposed express rail link between Madrid and Barcelona. The Spanish Government is expected to ask for tenders soon for the project, worth an estimated FF10bn. Other big projects in the Spanish pipeline include the construction needed for the Barcelona Olympics in 1992, an international exhibition to be held in Seville in the same year, and the upgrading of the country's motorway and telecommunications networks. Banco Central made the initial approach last June, when Bouygues was drawn to its attention by stock market rumours that the French company was preparing an approach for Dragados, Spain's largest construction group, in

which the bank holds a stake of just over 10 per cent. Bouygues denies having bought any Dragados shares. This is not the first link between the French construction group and a big financial services company. Early this year, Nippon Life, the Japanese insurance group, took a friendly 2.2 per cent stake, from which Bouygues executives hoped to gain financial and industrial connections and assistance in the Far East. The French group will be open to further agreements of this kind, said Mr Poupard-Lafarge. This is the second big strategic step for Bouygues since the new chairman took over in September, even though the negotiations with Banco Central have a longer history. In October, the French company paid FF1.4bn for a 70 per cent stake in Grands Moulins de Paris, France's biggest producer of flour and owner of valuable industrial property near Paris.

Magnet to announce refinancing details

By Maggie Urry in London

MAGNET, the UK kitchen and do-it-yourself retailer, is on the verge of announcing details of its refinancing, arranged with its bankers. The deal is expected to require the departure of Mr Tom Duxbury, the group's chairman, and could be announced today. Already, Mr Albert King, the finance director, has left the group. Mr Duxbury, an extrovert believed to be largely responsible for the group's earlier success, led a controversial \$28m management buy-out of the company in July this year. But almost from the start the buy-out ran into difficulties when trading conditions worsened. Bankers Trust, the bank which led the buy-out financing, was unable to syndicate the \$550m of debt involved, leaving all of it on the books of the nine banks which underwrote it. In New York, Bankers Trust said this week it was taking a \$150m fourth-quarter charge covering two corporate

loans, one of which was the Magnet loan. Magnet suffered as rising interest rates affected consumers' willingness to spend on big-ticket items, and the slump in house moves - when many people buy new kitchens - hit Magnet's sales. These trading problems have also hit other highly-indebted retailers such as Lowndes Queensway, the furniture and carpet retailer, and MFI, the kitchen and bedroom specialist, both of which have returned to bankers to restructure their finances. Lowndes Queensway secured its second refinancing - worth £70m - at the end of last week. In October Magnet revealed that ambitious profit targets forecast at the time of the buy-out, including profit increases of 15 per cent a year, could not be met and that talks with bankers were starting. Its shares were suspended then. Mr King left in early November.

Iveco joins with Nissan Diesel to produce engines

By John Wyles in Rome and Kevin Done in London

IVECO, Fiat's commercial vehicle subsidiary, is joining forces with Nissan Diesel, one of the leading Japanese truck makers, to develop a new range of medium-sized diesel engines. The deal is the first important co-operation project between European and Japanese truck makers. Mr Isamu Kawai, president of Nissan Diesel, an associate company of Nissan Motor of Japan, said the joint development programme was aimed at cutting lead times, as well as at reducing costs and risks. The companies aim to achieve a reduction in diesel engine noise and pollution levels, while also improving power output and fuel consumption for a range of engines of 6-8 litres. Fiat said that it was expected that Nissan Diesel would manufacture the engine in Japan, while Iveco would produce it in Europe starting in the mid-1990s.

KKR may put builder into bankruptcy

By Anisole Kalinsky in New York

KOHLBERG Kravis Roberts, the leading US leveraged buy-out firm, yesterday threatened to put one of its businesses into bankruptcy. Jim Walker, a Florida house-builder which KKR last year acquired in a \$2.4bn buy-out, said it might "have no alternative" but to file for voluntary bankruptcy protection next week. The deadline relates to the December 27 expiration of an offer to exchange \$24m worth of Jim Walker bonds which the company cannot repay. KKR originally planned to repay the bonds by January 1, 1990. But Jim Walker has been unable to raise the cash required to repay them because of an unexpected lawsuit in the Texas courts, claiming damages of up to \$3bn for past asbestos liabilities. KKR claims the suit is without merit, but the plaintiffs have succeeded in freezing asset disposals by Jim Walker. Now KKR seems to be caught in a vicious circle of its

Nixdorf seeks partnership

By David Goodhart in Bonn

NIXDORF, the troubled West German electronics company, has admitted for the first time that it is seeking a partner. Mr Horst Nascho, who took over as chief executive last month, said yesterday he was looking for "technical and strategic" partnerships. Mr Nascho told a company meeting that a choice of partner would be made at a meeting of the supervisory board on January 22. The company is likely to go for a German part-

HCA \$1.23bn sale fails

By Roderick Oram in New York

HOSPITAL CORPORATION of America said efforts to sell its psychiatric hospitals to employees and other investors for \$1.23bn have failed for several reasons, including the weakness of the junk bond market. The Nashville-based company was intending to use the proceeds of the sale to repay a \$1.3bn two-year loan. The debt was part of the financing for a \$2.5bn management buy-out of HCA earlier this year. HCA, strained by the debt burden, said the collapse of the deal did not jeopardise it. The hospitals were to have been part-owned by staff through an employee stock ownership plan. Recent changes in Esop laws have reduced tax benefits if employees own less than 50 per cent of the company.


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All of these securities having been sold, this announcement appears as a matter of record only.

3,250,000 Shares



WESTERN GAS RESOURCES, INC.

Common Stock

United States and Canadian Offering
2,250,000 Common Shares

These shares have been distributed in the United States and Canada by the undersigned.

Prudential-Bache Capital Funding
Smith Barney, Harris Upham & Co. Incorporated
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Alex. Brown & Sons Incorporated
Donaldson, Lufkin & Jenrette Securities Corporation
Hambrecht & Quist Incorporated
Kidder, Peabody & Co. Incorporated
Montgomery Securities
PaineWebber Incorporated
Robertson, Stephens & Company Incorporated
Salomon Brothers Inc
Howard, Weil, Labovits, Friedrichs Incorporated
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Blunt Ellis & Loewl Incorporated
Dain Bosworth Incorporated
A. G. Edwards & Sons, Inc.
Legg Mason Wood Walker Incorporated
McDonald & Company Securities, Inc.
Oppenheimer & Co., Inc.
Tucker Anthony Incorporated

International Offering
1,000,000 Common Shares

These shares have been distributed outside of the United States and Canada by the undersigned.


Prudential-Bache Capital Funding	Smith Barney, Harris Upham & Co. Incorporated
Daiwa Europe Limited	Paribas Capital Markets Group
	Swiss Bank Corporation Investment Banking

December 1989

This announcement appears as a matter of record only.

NEW ISSUE

December, 1989



¥10,000,000,000

6.375 per cent. Depository Receipts due 1993

Issued by The Law Debenture Trust Corporation p.l.c. evidencing entitlement to payments of principal and interest on deposits in an aggregate principal amount of ¥10,000,000,000 worth

Monte dei Paschi di Siena
(A Public Law recognised Bank in the Republic of Italy)

London Branch

Issue Price: 101.25 per cent.

Taiyo Kobe International Limited

Goldman Sachs International Limited	Mitsui Finance International Limited
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Daiwa Europe Limited	KEB International Limited
Korea First Investment Limited	National Securities of Japan (Europe) Ltd.
Norinchukin International Limited	Toyo Securities Europe Ltd.
Toyo Trust International Limited	Yasuda Trust Europe Limited

Westdeutsche Landesbank (Europa) AG

has acquired the European branches/subsidiaries of Standard Chartered Bank in

Brussels
Hamburg/Frankfurt
Paris

Copenhagen
Istanbul/Izmir
Rotterdam

Dublin
Milan
Vienna

In addition, the two partners have entered into a worldwide Cooperation Agreement

WestLB

The Westdeutsche Landesbank

WestLB

The Westdeutsche Landesbank

and

Standard  Chartered

intend to strengthen their corporate finance activities in Europe as of January 1, 1990. The two partners have entered into an agreement providing for the amalgamation of their Merchant Banking operations within Standard Chartered Merchant Bank Ltd. which will be named

Chartered WestLB Ltd.

London

Düsseldorf

New Issue

December 21, 1989

D'URBAN INCORPORATED Tokyo, Japan

DM 100,000,000 1 1/2% Deutsche Mark Bonds of 1989/1994 with Warrants attached

to subscribe for shares of common stock of

D'URBAN INCORPORATED Tokyo, Japan

the Bonds are unconditionally and irrevocably guaranteed by

The Sumitomo Bank, Limited Osaka, Japan

Offering Price: 100%

DG BANK Deutsche Genossenschaftsbank Daiwa Europe (Deutschland) GmbH

The Nikko Securities Co., (Deutschland) GmbH Sumitomo Bank (Deutschland) GmbH

Banca del Gottardo

Bank Brussel Lambert N.V.

Baring Brothers & Co., Limited

Bayerische Vereinsbank Aktiengesellschaft

BHF-BANK

Commerzbank Aktiengesellschaft

Coryo Securities Corporation

Deutsche Bank Aktiengesellschaft

Dresdner Bank Aktiengesellschaft

Robert Fleming & Co. Limited

Mitsubishi Bank (Deutschland) GmbH

Morgan Stanley GmbH

Nomura Europe GmbH

Salomon Brothers AG

Schweizerische Bankgesellschaft (Deutschland) AG

Société Générale - Elsassische Bank & Co. Swiss Volksbank

Ssanyong Investment and Securities Co., Limited

Sumitomo Trust and Banking (Deutschland) AG Westdeutsche Landesbank Girozentrale

Kaisei Securities (Asia) Co., Limited

Melko Europe Limited

Okanan International (Europe) Limited

Ryoko Securities International Limited

INTERNATIONAL COMPANIES AND FINANCE

INTERNATIONAL APPOINTMENTS

New head for Quebec Securities Commission

By Robert Gibbens in Montreal

MR PAUL Fortugno, 43, takes over leadership of the Quebec Securities Commission...

IOSCO has become a co-ordinating agency for stock markets in the main industrial countries since deregulation...

The investment industry expects he will have close relations with the Government...

CBR chief to resign at year's end

AT CBR, Belgium's biggest cement producer, Mr Jullevan Hove, president and chief executive officer...

Mr Hervé de Carmoy, chief executive officer of Société Générale de Belgique...

Placer Pacific to strengthen top management

PLACER PACIFIC, a leading Australian gold producer, and Placer Dome...

From May 1 next year, Mr Alf Paton, the present managing director of Placer Pacific...

Mr Lawrence Reinertson, currently senior vice president of Placer Dome...

Mr Reinertson, after a number of years' experience with Noranda, Canada's largest resource group...

CHRISTIANIA Bank og Kreditkassen, Norway's biggest bank, will have a new managing director...

Mr Newell, 32 and formerly treasurer, has been acting vice president of finance since September...

Political pendulum now favours Nushi Wadia

Gita Piramal on a bitter corporate war in India

THINGS HAVE rarely been brighter for Mr Nushi Wadia, the chairman of Bombay Dyeing...

Turnover for the six months ended September 1989 improved from Rs1,750m (US\$63.2m) to Rs1,930m...

The fluctuations in the share prices of the two companies have done with the political environment...

Second-quarter operating profits rose 12 per cent to \$127.9m from \$114.5m while pre-tax profits fell to \$80.5m from \$81.3m...

One case which Mr Singh's Government is likely to consider sympathetically is Mr Wadia's application for an Indian passport...

In July 1987 the Central Bureau of Investigation (CBI) briefly arrested Mr Wadia...

According to Mr V.K. Saraf, Bombay's Commissioner of Police, under the new Government...

Mr Kiriti Ambani, a senior executive of Reliance Industries but not related to Mr Dhirubhai Ambani...

Federal Express slips in second quarter

FEDERAL Express, the express delivery company, saw a further slide in profits, reflecting the costs of assimilating Tiger International...

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table of international bonds with columns for Country, Currency, Maturity, Yield, and Price.

Straight Bonds: The yield is the yield to redemption of the mid-price of the amount listed... Floating Rate Notes: Denominated in dollars unless otherwise indicated...

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Financière CSFB N.V. U.S. \$150,000,000 Junior Guaranteed Undated Floating Rate Notes. Interest Rate 8 1/4% per annum.

BAWAG BANK FÜR ARBEIT UND WIRTSCHAFT A.G. Subordinated Floating Rate Notes due 1999. Interest rate fixed at 8.5% per annum.

Standard Chartered Standard Chartered PLC. £300,000,000 Undated Primary Capital Floating Rate Notes.

Benca Nazionale dell'Agricoltura S.p.A. Floating Rate Depository Receipts due 1993. Interest rate fixed at 11 1/4%.

J. Henry Schroder Wagg & Co. Limited U.S. \$250,000,000 Floating Rate Subordinated Capital Notes due September 1996.

J.P. Morgan & Co. Incorporated U.S. \$200,000,000 Floating Rate Subordinated Capital Notes due December 1997.

J. Henry Schroder Wagg & Co. Limited U.S. \$250,000,000 Floating Rate Subordinated Capital Notes due September 1996.

Sparbankernas Bank (Sweden) U.S. \$150,000,000 Republic New York Corporation Floating Rate Subordinated Capital Notes due 2009.

INTERNATIONAL CAPITAL MARKETS

Reuters triumphs in the derivatives jungle

Rachel Johnson on the news group's successful tradition of exploiting new markets

Reuters, the news and information organisation, has prided itself on reaching far-flung parts of the globe since 1849 when its founder, Paul Julius Reuter, released a carrier pigeon to plug the gap in the European telegraphic system.

Detractors of Reuters sometimes point out that the company has contributed to the unpredictability of exchange rates, with its supply of real-time high-speed dealing systems enabling price movements to be seen all over the world.

Australia to buy back sterling bond issues

By Andrew Freeman

THE Australian Government yesterday announced plans to reduce its international debt by buying back its three long-dated sterling bond issues.

Easing signals from Fed lift Treasuries

By Janet Bush in New York

US TREASURY bonds moved higher in modest reaction to a clear signal from the US Federal Reserve that it had decided at the meeting of the Federal Open Market Committee.

Bank invites conversion

THE Bank of England yesterday continued its house-keeping of the shrinking UK gilts market with an invitation to holders of the 12 per cent Exchequer 1999-2002 stock to convert into the 12 per cent Exchequer due 1998, one of the biggest three stocks in the market, writes Rachel Johnson.

Crédit Suisse plans trade in money-market claims

CREDIT SUISSE is to institute a secondary market for Swiss federal money-market claims, the first time that such trading had been possible on the country's money market, writes John Wicks from Zurich.

Postipankki in Ecu50m deal

THERE WAS sporadic new-issue activity on the Eurobond market yesterday, but all of the day's deals were aimed at specific accounts and none was expected to trade actively.

INTERNATIONAL BONDS

100% Full fees are 1% per cent, with a 1% point selling concession. The deal is callable at par after one year.

BENCHMARK GOVERNMENT BONDS

Table with columns: Country, Coupon, Red Date, Price, Change, Week ago, Month ago. Rows include UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, Australia.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table of FT-Actuaries Share Indices for Wednesday December 20 1989. Columns include Index No., Day's Change, Est. Earnings Yield, Gross Div. Yield, etc.

FIXED INTEREST

Table of Fixed Interest rates for various terms and currencies, including British Government, Ireland, and US.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various market categories like British Funds, Corporations, etc.

LONDON RECENT ISSUES

Table of London Recent Issues with columns for Issue No., Amount, Date, etc.

RIGHTS OFFERS

Table of Rights Offers with columns for Issue No., Amount, Date, etc.

LONDON TRADED OPTIONS

Large table of London Traded Options with columns for Call/Put, Strike, etc.

Continued on page 20... FT-SE 100 SHARE INDEX... FT-SE 100 SHARE INDEX...

UK COMPANY NEWS

Both sides agree that the logic of the merger to create a world force in thread remains Tootal rejects Coats' revised and reduced bid

By Jane Fuller

A MERGER which would have created a new force in world textiles broke down yesterday as Tootal rejected a new, reduced offer from Coats Vytella.

Mr Geoffrey Maddrell, Tootal's chief executive, said that the logic of the merger remained but that he and Sir David Alliance, the chairman of Coats, had failed to agree on a price.



Sir David Alliance (left), chairman of Coats Vytella, and Geoffrey Maddrell, chief executive of Tootal, in happier times in May.

chairman, said that the main problem had been the darkening of the trading outlook. "The market situation has changed somewhat and not only in the UK. Our market capitalisation has also changed."

Quaker Oats buys Kiddicraft from Hestair

By John Riddling

HESTAIRE, the personnel services and consumer products group which last week agreed a £122m bid from BET, the business services company, has sold its Kiddicraft toymaking subsidiary for £13m.

Eagle Star buys 24% stake in AA Insurance

By Patrick Cockburn

EAGLE STAR, the UK composite insurance subsidiary of BAT Industries, has bought a 24 per cent stake in AA Insurance Services with the aim of selling 40,000 policies through AA branch offices within the next year.

almost totally dependent on independent brokers for UK life sales, said that using AA's branches and direct marketing network, it planned to sell 40,000 life policies in the first year rising to 80,000 later.

Woodchester welcomes Credit Lyonnais plan

By Kieran Cooke in Dublin

MR CRAIG McKinney, chairman of Woodchester Investments, the Dublin-based leasing and finance group, yesterday said he would have "no difficulty in principle" if Credit Lyonnais moved to take a majority stake in the company.

Mr McKinney said that the company was taking up a 29.9 per cent stake in Woodchester at a cost of £151.8m (£49.05m). Credit Lyonnais, the second largest commercial bank in France, bought the stake previously held by British and Commonwealth, the UK financial services group, for 125p per share.

White knight sought by Metal Closures

By Andrew Hill

Metal Closures Group, the packaging and printing company, yesterday confirmed that it was seeking a "white knight" counter-bidder to rescue it from the hostile £45.4m offer by Wassall, the aspiring mini-conglomerate with interests in luggage and office furniture.

Monotype waits for Maxwell statement

By John Riddling

MR ROBERT MAXWELL said yesterday that a meeting between his Mirror Group Newspapers and Monotype, manufacturer of typesetting equipment, had been "very friendly and positive" and that a statement concerning MGN's intentions would be made in the next few days.

Hughes Food static

By John Riddling

PRE-TAX profits of Hughes Food Group marked time at £2.2m in the six months to September 30. An apparent decline in turnover from £31.8m to £23.1m reflected the sale of Glenrose Fish Merchants whose turnover for the same period last year amounted to £7m.

Clarification AES Electrical

By Ray Bashford

WE HAVE BEEN asked to make clear that Accessories Electrical Supplies (Wholesale) Limited has no connection with AES Electrical Wholesale Limited, referred to in an article on December 1.

Sun Alliance cooperation agreement with Taisho

By Patrick Cockburn

SUN ALLIANCE, the largest UK composite insurance company, has signed a cooperation agreement with Taisho Marine & Fire Insurance Company of Japan under which it will help service Taisho's clients in the UK, writes Patrick Cockburn.

York Trust rules out a full bid for ICH

By Ray Bashford

YORK TRUST, a USM-quoted financial services group, yesterday virtually ruled out the possibility of a full bid for International City Holdings, the foreign exchange and money broker.

Advertisement for Matsushita Electric Works Netherlands B.V. featuring a logo with the letter 'M' and text about guaranteed products and agents.

Europa buys Burmine stake

By Kenneth Gooding, Mining Correspondent

EUROPA MINERALS Group, the London-quoted mining company, has paid A\$3.74m (about £1.9m), or A\$1.74 a share for 19.7 per cent of Burmine, a Western Australian gold mining and exploration company which is currently producing about 35,000 troy ounces of gold a year.

sub-underwrite a three-for-five rights issue of Burmine shares at A\$1.5 each to raise about A\$9.56m net for the Australian company. The rights issue is being underwritten by Rothschild Australian Securities and Swiss Partners.

Grampian Holdings pays £5m for James Pringle

By Jane Fuller

GRAMPIAN Holdings, the Glasgow-based group which has interests ranging from sports equipment to animal pharmaceuticals, is buying James Pringle, a family-owned retailer of Scottish woollens.

had sales of £7.8m in the first half of the year. Mr David McGibbon, finance director, said the acquisition's expected annual profit was about £800,000 and there would be scope for improving margins through its combination with Pitlochry and Moffat Woollens.

Table titled 'DIVIDENDS ANNOUNCED' with columns for Company, Current Payment, Date of Payment, Corres. Dividend, Total for year, and Total last year.

Large advertisement for McInerney Estates PLC and BACOB Savings Bank s.c., including details about share offerings and company information.

Advertisement for Collateralized Mortgage Obligation Trust Sixteen, Class 1 Floating Rate Bonds Due 3/20/2018.

Advertisement for ANZ Bank Australia and New Zealand Banking Group Limited, Subordinated Floating Rate Notes due 1999.

Advertisement for Fleet Financial Group, U.S. \$100,000,000 Floating Rate Subordinated Notes due 1989.

UK COMPANY NEWS

Yorkshire Radio exceeds float forecast with £1.46m

By John Riddling

YORKSHIRE RADIO Network, the commercial radio company which joined the USM in August, has exceeded forecasts made at the time of its flotation by announcing pre-tax profits of £1.46m for the year to the end of September, a sharp increase from the £839,000 achieved in the previous period.

Turnover rose from £4.1m to £5.87m and earnings per share climbed from 8.12p to 12.5p, higher than the forecast 10.64p. There is a final dividend of 3p.

Mr Michael Mallett, chairman, said: "The future of radio is exciting, both nationally and within our own territory. The heavy growth in revenue is inevitably slackening somewhat as the squeeze on retail sales tightens, but opportunities abound."

Yorkshire is following a different strategy from other UK-based radio companies and has established operations in related engineering and service activities and in South East Asian broadcasting.



The group's Singaporean activities, which involve the cable transmission of audio programmes to subscribers' homes, contributed about £140,000 to group profits. Over-

heads have been cut significantly and there have been 51 redundancies in the 270 strong workforce.

The group's UK broadcasting activities, which comprise the bulk of profits, were substantially reorganised during the year. Three FM services were launched and Classic Gold, a new service, was launched across Yorkshire and Humberside.

Total listening hours increased from 10.48m to 13.55m.

Mr Mallett said that the group was continuing to look at the opportunities that would arise from the deregulation of broadcasting proposed in current legislation. He said "a key factor will be the limitation imposed on common ownership" and that it was vital for the industry to be allowed to develop naturally.

SeaCon will not prejudice shareholder vote on bid

By Andrew Hill

MR JAMES SHERWOOD, president of Sea Containers, said yesterday that the group would not try to prejudice the shareholder vote on a hostile bid for the company by buying more of its own shares in the market.

A Bermuda court decision at the end of last month appeared to clear the way for the ferry and container group to buy shares in the market and vote them in favour of its own defence against the \$1.12bn Anglo-Swedish offer.

But Mr Sherwood said: "It's our view that we should not disturb the status quo. It's not our intention to have subsidiaries purchasing any more shares."

The group is also concerned that if too many shareholders decided to retain a stake in the continuing business of Sea Containers the company would be left vulnerable to another bid. The original plan would have given Sea Containers' subsidiaries and directors control of the group.

Later on Tuesday, Sea Containers rejected an increased bid from Tiphook, a UK container rental company, and Stena, a private Swedish ferry operator, which matches the \$70-a-share defensive tender offer.

Directors and subsidiaries of the company already own 25 per cent of the fully-diluted share capital, according to Mr Sherwood.

The bid - which has now run for nearly seven months - is still stuck in the Bermuda courts. Tiphook and Stena are asking the court to impose an injunction on further dealings in Sea Containers shares pending an appeal against last month's unfavourable court ruling. A decision is expected before the Christmas break.

If the decision goes Sea Containers' way, Mr Sherwood will set a date for the long-awaited annual meeting at which shareholders will vote on the company's recapitalisation plan.

Mr Sherwood, who should announce further asset sales on Friday, must give shareholders at least six weeks' notice of the meeting. He admitted yesterday that the date for the AGM might now fall in February 1990.

He added that an increase in the defensive tender offer was unlikely: "We have additional resources available, and we are actually going to raise more from the sale of assets than we expected, but the board felt it was unnecessary to increase the price."

Colonnade plan under attack

By Andrew Bolger

STRATAGEM GROUP, the investment company, is opposing a plan by directors of Colonnade Development Capital to reorganise the company.

Stratagem, which owns 4.5 per cent of Colonnade's ordinary shares, said it was reviewing the options open to it, including the possibility of making an offer for Colonnade at not less than 142p per share in order to effect a liquidation of the company. Colonnade's shares closed at 143p, up 5p.

Colonnade's directors said last week that the share price had fallen to a 38 per cent discount on net asset value and that British and Commonwealth Holdings, the ultimate parent company of B and C Development Capital, Colonnade's investment manager, might shortly no longer be in a

position to provide continuity of investment management services.

Accordingly, Colonnade was offering the management team at BCDC the opportunity of joining the company on a full-time basis: those executives would acquire the 8.7 per cent stake in Colonnade held by British and Commonwealth Ventures Investment and be granted performance-related options to subscribe for shares in Colonnade.

Stratagem said yesterday that it believed Colonnade's proposals for a management reorganisation, rather than a liquidation of the company, "are very definitely in the interests of British and Commonwealth Holdings and very definitely in the interests of the proposed management of

Colonnade but not at all in the interests of the general body of shareholders of Colonnade."

Stratagem said it would make a further announcement about its intentions before the close of business on Friday. In the meantime, it urged Colonnade shareholders not to support the proposed reorganisation, which will be put to an extraordinary meeting on December 29. Colonnade, which is being advised by James Capel, said it continued to believe that the proposed reorganisation was in the best long-term interests of shareholders.

It regarded Stratagem's announcement as opportunistic and said it would communicate again with shareholders when Stratagem's intentions were known.

S.F.E. INTERNATIONAL N.V.
 U.S. \$75,000,000
Guaranteed Floating Rate Notes Due 1991
 Guaranteed by
Société Financière Européenne
S.F.E. Luxembourg
 In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 21st December, 1989 to 21st June, 1990 has been fixed at 8 7/8 per cent per annum and that the coupon amount payable on coupon No. 12 on 21st June, 1990 will be U.S.\$436.04 per Note of U.S.\$10,000 and U.S.\$10,501.04 per Note of U.S.\$250,000.

The Sumitomo Bank, Limited
 (Interest Determination Agent)

mitsubishi electric CORPORATION
 European Depository Receipts
 Issued by
Morgan Guaranty Trust Company of New York

A distribution of 5.312 per depositary share less any applicable taxes will be payable on and after December 22nd, 1989 upon presentation of coupon No. 38 at any of the following offices:

- MORGAN GUARANTY TRUST COMPANY OF NEW YORK
 27 West Broadway
 London, 1 Angel Court
 Brussels, 35 Avenue des Arts
 Paris, 14 Place Vendôme
 Frankfurt, 46 Mainzer Landstrasse
- CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE
 Grand Rue 101, Luxembourg

Net Rate: \$ 2.650 (after deduction of 15% Japanese withholding tax) \$ 2.49 (after deduction of 20% Japanese withholding tax)

HDR holders who wish to and are entitled to receive payment of the dividend under deduction of 15% Japanese withholding tax must provide the Depository with a declaration of residence by June 15th, 1990.

This announcement appears as a matter of record only. November 1989

BT Shipping Limited
 (Incorporated in Bermuda)
 (Shares listed on NASDAQ with effect from 23rd November 1989)

US\$68,000,000
Term Loan Facility

To finance the purchase of six 69,900 dwt product tankers from The Maersk Company Limited

Arranged by
Scandinavian Bank Group plc
 and
Bergen Bank

SCANDINAVIAN BANKING PARTNERS
 Bergen Bank, Privatbanken, S-E-Banken,
 Union Bank of Finland

and
Scandinavian Bank Group plc

Agent
Scandinavian Bank Group plc

FIRST AUSTRALIA PRIME INCOME INVESTMENT COMPANY LIMITED
 INTERNATIONAL DEPOSITARY RECEIPTS
 Issued by
MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Notice is hereby given to the shareholders that:

Payment of coupons No. 14 of the International Depositary Receipts will be made in US dollars on or after December 22nd, 1989 at the rate of US\$ 0.0945 per ordinary share at the following offices of Morgan Guaranty Trust Company of New York:

- New York, 27 West Broadway
- London, 1 Angel Court
- Frankfurt, 46 Mainzer Landstrasse

The dividend is not subject to any Australian tax. The Belgian withholding tax will be applicable to HDR holders presenting their coupons to the office of the Depository without the appropriate Belgian non resident certificate.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK
 BRUSSELS OFFICE, AS DEPOSITARY

SRF Mortgage Notes 1 PLC
 £150,000,000
 Class A
 £11,500,000
 Class B

Mortgage Backed Floating Rate Notes
 March 2021

For the interest period 20th December, 1989 to 20th March, 1990 the Class A Notes will bear interest at 15.325% per annum. Interest payable on 20th March, 1990 will amount to £3,778.77 per £100,000 Note. The Class B Notes will bear interest at 16.025% per annum. Interest payable on 20th March, 1990 will amount to £454,407.53 per £11,500,000 Principal Amount outstanding.

Agent Bank:
 Morgan Guaranty Trust Company of New York
 London

CORRECTION NOTICE
ITALIAN INTERNATIONAL BANK PLC
 US \$ 45,000,000 Subordinated Floating Rate Notes due 1990

Please read for December 18 1989 as published in this newspaper, December 18 1989

This announcement appears as a matter of record only.

RTM
 RIO TINTO MINERA, S.A.

100,800 Gold Ounce and 2,541,600 Silver Ounce Loan.

Arranged by
Barclays Bank PLC.

Gold & Silver provided equally by:
 Barclays Structured Finance Ltd
 The Bank of Nova Scotia.

Guarantees provided by:
 Barclays Bank PLC
 The Royal Bank of Canada
 Credit Commercial de France
 Caja Postal de Ahorros
 Societe Generale de Banque en Espagne
 Banco de Progreso
 Banque Indosuez
 Banco Exterior de España
 Banco Herrero.

Agent Bank
BARCLAYS BANK PLC.

BARCLAYS

21 December 1989

This announcement appears as a matter of record only.

MANAGEMENT-INVESTORS BUY-OUT

Kramers en Ruys

Holding Kramers en Ruys B.V., a new company formed by management, other employees of Kramers en Ruys N.V. and several financial institutions, has acquired all outstanding shares in the capital of Kramers en Ruys N.V. from Ruys en Kramers Beleggings Maatschappij N.V. for the amount of

Dfl. 55,000,000

Arranged and underwritten by
De Nationale Investeringsbank N.V.

Ordinary and cumulative preference shares placed with
 Subordinated loans and other bankfinancing provided by

Kramers Ruys Logisterion Invest B.V.
De Nationale Investeringsbank N.V.
Janivo Holding B.V.
Mees & Hope Participaties B.V.
Nederlandse Participatie Maatschappij N.V.

Bank Mees & Hope NV
De Nationale Investeringsbank N.V.
Janivo Holding B.V.
Mees & Hope Participaties B.V.
Nederlandse Participatie Maatschappij N.V.

De Nationale Investeringsbank N.V.
 The Hague, The Netherlands

December 1989

Security Pacific Merchant Bank is the business name of Security Pacific National Bank. Security Pacific National Bank and Hoare Govett Corporate Finance Limited are members of TSA.

\$158,000,000
Swap portfolio restructuring

The Electricity Commission of New South Wales

The undersigned arranged and executed this transaction.
Security Pacific Australia Limited

June 1989

\$136,000,000
Non-recourse structured financing

THE HARTMAN GROUP

In connection with its acquisition by an entity substantially related with

THE HARTMAN GROUP

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

May 1989

Security Pacific
THE SECUR GROUP

Security Pacific is pleased to announce its appointment as Master Custodian and Securities Lending Agent for:

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

May 1989

C\$598,000,000
Acquisition of Subtel Communications Inc.

Maclean Hunter Limited

The undersigned acted as financial adviser and arranging dealer in connection with the transaction.
Security Pacific Merchant Bank

October 1988

\$45,000,000
Term loan
\$40,000,000
Working capital facility

Kash n' Karry

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

September 1989

\$92,000,000
Interim construction term credit facility and amortizing interest rate swap

Western Electrochemical Company (WECCO)
An American Pacific Corporation company

The undersigned arranged and executed this transaction.
Security Pacific Bank Washington

March 1989

\$280,000,000
Continuing dollar interest rate swap

The Dow Chemical Company

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

1989

\$200,000,000
Term loan and revolving credit facilities

For the acquisition of
AnnTaylor, Inc.
by Merrill Lynch Capital Partners, Inc. as affiliate and AnnTaylor management.

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

February 1989

This transaction appears as a matter of record only

\$45,000,000
Senior Notes Due 1995

STANDARD PACIFIC L.P.

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

September 1988

This transaction appears as a matter of record only

\$125,000,000
Revolving credit facility

Blockbuster Entertainment Corporation

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

June 1989

\$721,455,000
Washington Public Power Supply System refunding

Bonneville Power Administration

The undersigned acted as financial adviser to Bonneville Power Administration.
Security Pacific Merchant Bank

March 1989

\$24,000,000
Asset-backed certificate

Market Finance Company 1989 Grantor Trust

Associated Grocers, Inc.

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

1989

Security Pacific
THE SECUR GROUP

Security Pacific wishes to express appreciation to some of our recent public bond clients for their trust and support.

**Ernest French Water District
Public Employees Retirement System of Nevada
University of California Regents
San Luis Obispo County**

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

1989

\$750,000,000
Revolving credit facility

Pacific Gas & Electric Company

The undersigned acted as financial adviser to the company.
Security Pacific Merchant Bank

August 1989

This transaction appears as a matter of record only

\$87,000,000
Collateralized commercial mortgage bonds

Security Pacific Commercial Mortgage Trust VII

The bonds are passed by the mortgage loans on assets held in trust for the benefit of the bondholders.
Security Pacific Merchant Bank

March 1989

\$43,625,000
Project financing

Indeck Energy Services of Oswego, Inc.

A 50% ownership natural gas-fired cogeneration facility located in Oswego, New York.

The undersigned provided financial advice, underwrote this transaction and arranged for the completion of the project.
Security Pacific Merchant Bank

March 1989

\$53,600,000,000
Acquisition facility

The Harfin Group

To assist in financing the acquisition of:

Elders DXL Limited

The undersigned arranged and executed this transaction.
Security Pacific Australia Limited

November 1989

\$280,000,000
Sale of FERC Order 900 accounts receivable

Panhandle Eastern Pipe Line Company

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

1989

\$250,000,000
Term loan and revolving credit facilities

Seagate Technology, Inc.

For refinancing of
Enterprise Technology Inc.

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

November 1989

\$570,000,000
Shogun dollar term loan

Beaufort Sentosa

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

1989

\$16,000,000
Asset-backed certificate

Merchants Finance Company
a subsidiary of
Nash Finch Company

The undersigned acted as financial adviser to the company.
Security Pacific Bank Washington

February 1989

\$300,000,000
Revolving credit facility

ONEOK Inc.

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

September 1989

This transaction appears as a matter of record only

\$60,000,000
First Mortgage Bonds Issue 1989 A: Class A-1 Due July 1, 1995
Class A-2 Due January 1, 1996

Motel 6 Operating L.P.

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

April 1989

\$146,000,000
Project financing

North Branch Power Plant Project

A 60 megawatt natural gas-fired cogeneration facility located in Green County, West Virginia.

The undersigned arranged and executed this transaction.
Security Pacific Merchant Bank

1989

هكذا عندنا قبل

C\$22,800,000
Canadian dollar project financing

Brock West Power Project
A 25 megawatt gas-fired power facility located near Toronto, Canada.

The undersigned acted as sole agent and arranged and executed this transaction.

Security Pacific Merchant Bank

November 1989

A\$51,150,000
Currency swap hedging structure

TNT Finance Limited

The undersigned arranged and executed this transaction.

Security Pacific Merchant Bank

September 1989

C\$2,099,700,000
Acquisition of Falconbridge Limited

Noranda Inc. and Trelleborg AB

The undersigned acted as sole agent and arranged and executed this transaction.

Security Pacific Merchant Bank

September 1989

\$65,000,000
Revolving credit facility

DELL COMPUTER CORPORATION

The undersigned arranged this transaction and acted as agent.

Security Pacific Merchant Bank

June 1989

A\$100,000,000
Australian dollar term loan

BTR Nyllex Limited

The undersigned arranged and executed this transaction.

Security Pacific Australia Limited

March 1989

\$250,000,000
Dollar interest swap

Xerox Corporation Xerox Credit Corporation

The undersigned arranged and executed this transaction.

Security Pacific Merchant Bank

October 1989

£384,000,000
Acquisition of Norson Glass Plc

Bowater Industries Plc

The undersigned acted as sole agent and arranged and executed this transaction.

Security Pacific Merchant Bank

October 1989

\$145,000,000
Currency and interest rate swaps, collars and swaps buyout

Avery International

The undersigned acted as sole agent and arranged and executed these transactions.

Security Pacific Merchant Bank

1989

\$1,320,000,000
Dollar interest rate swaps, caps and swaps buyout

News America Publishing Incorporated
Guaranteed by **The News Corporation Limited**

The undersigned acted as sole agent and arranged and executed these transactions.

Security Pacific Merchant Bank

1989

\$300,000,000
Acquisition and revolving credit facility

CONSOLIDATED FREIGHTWAYS, INC.

The undersigned arranged and executed this transaction.

Security Pacific Merchant Bank

March 1989

£278,000,000
Acquisition of Airspeed Securities

British Aerospace

The undersigned acted as sole agent and arranged and executed this transaction.

Security Pacific Merchant Bank

January 1989

£129,900,000
Acquisition and working capital facilities

£20,000,000
Senior subordinated term debt

Marshall's Finance Limited
for the acquisition of **MW Marshall's Company Limited**

The undersigned arranged and executed these transactions.

Security Pacific Merchant Bank

January 1989

\$432,500,000
Registration facility

Whittaker

The undersigned acted as sole agent for this transaction.

Security Pacific Merchant Bank

July 1989

\$300,000,000
Aircraft financing facility

Electra Aviation Limited

The undersigned arranged and executed this transaction.

Security Pacific Merchant Bank

December 1989

Rowntree Inc.
As sold

Original Cookie Co., Hot Steam Cook, Inc. and Gosport Candies Inc. to Midcal SA.

The undersigned acted as sole agent and arranged and executed this transaction.

Security Pacific Merchant Bank

January 1989

WE CAN ONLY BEGIN TO EXPRESS OUR THANKS.

1989 has been an exciting year. But we certainly couldn't have done it alone. After all, our success is only realized by your success.



Security Pacific THE SECUR GROUP

Security Pacific pleased to announce its acquisition of **State of Wyoming**

STATE OF WYOMING

The undersigned arranged and executed this transaction.

Security Pacific Merchant Bank

May 1989

\$100,000,000
U.S. dollar interest rate swap

ECU100,000,000
ECU currency swap

Exxon Capital Corporation
Guaranteed by Exxon Corporation

The undersigned arranged and executed these transactions.

Security Pacific Merchant Bank

May 1989

\$84,000,000
Project financing

Craven County Wood Energy Limited Partnership
A 45 megawatt wood waste-fired power plant located in New Bern, North Carolina.

The undersigned arranged and executed this transaction.

Security Pacific Merchant Bank

July 1989

M\$167,000,000
Malaysian Ringgit letter of credit loan facility

Malaysian Plantations Bhd.

The undersigned arranged this transaction.

Security Pacific Asia Limited

October 1989

C\$2,558,300,000
Acquisition of Consolidated Bathurst Inc.

Stone Container Inc.

The undersigned acted as sole agent and arranged and executed this transaction.

Security Pacific Merchant Bank

March 1989

IT TAKES AN EDGE

ACCEPTANCE FORMS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES, NEW CHANGE, LONDON, EC4M 9AA NOT LATER THAN 12.30 P.M. ON WEDNESDAY, 17TH JANUARY 1990...

OFFER OF CONVERSION TO HOLDERS OF 12 per cent EXCHEQUER STOCK, 1999-2002 TO CONVERT INTO 12 per cent EXCHEQUER STOCK, 1998

Application will be made to the Council of The International Stock Exchange for 12 per cent Exchequer Stock, 1998 issued as a result of this conversion to be admitted to the Official List.

- 1 THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to invite holders of 12 per cent Exchequer Stock, 1999-2002 to convert all or part of their holdings into 12 per cent Exchequer Stock, 1998 on 22nd January 1990 at the rate of £99.90 nominal of 12 per cent Exchequer Stock, 1999 per £100 nominal of 12 per cent Exchequer Stock, 1999-2002.

Method of acceptance
5 Copies of this notice and acceptance forms for completion are being sent by post to holders of 12 per cent Exchequer Stock, 1999-2002, in the case of joint accounts, the forms are being sent to the first of the holders whose registered address is in the United Kingdom...

9 Completed acceptance forms with stock certificates must be lodged at the Bank of England, New Issues, New Change, London, EC4M 9AA not later than 12.30 P.M. ON WEDNESDAY, 17TH JANUARY 1990, or at any of the Branches or Agencies of the Bank of England not later than 3.30 P.M. ON TUESDAY, 16TH JANUARY 1990.

7 In the case of stockholders who are members of the Central Gilt Office (CGO), completed acceptance forms must be lodged at the Bank of England, Central Gilt Office, 1 Bank Buildings, Princes Street, London, EC2R 8EU not later than 12.30 P.M. ON WEDNESDAY, 17TH JANUARY 1990.

Arrangements for conversion
9 Up to and including 19th January 1990 holdings in respect of which the conversion option has been exercised will be described on the register as 12 per cent Exchequer Stock, 1999-2002 'Assented'...

10 Up to and including 17th January 1990, CGO account balances in respect of which the conversion option has been exercised will be described as 12 per cent Exchequer Stock, 1999-2002 'Assented'...

11 Transfers of 12 per cent Exchequer Stock, 1999-2002 for which stock transfer forms are lodged for registration up to 12.30 p.m. on 17th January 1990 will carry the option to convert into 12 per cent Exchequer Stock, 1998 on 22nd January 1990.

Stock, 1999-2002 until normal deadlines for certification on 17th January 1990 but they will not carry the option to convert unless they are lodged for registration by 12.30 p.m. that day.

12 Stock transfer forms will be accepted for certification in respect of 12 per cent Exchequer Stock, 1999-2002 'Assented' until normal deadlines for certification on 17th January 1990 but they must be lodged by the normal deadlines on that day if registration in the same form is desired.

13 The interest due on 20th May 1990 will be paid separately on holdings of 12 per cent Exchequer Stock, 1998 and on holdings of 12 per cent Exchequer Stock, 1998 'B' at the close of business on 18th April 1990...

14 Where the conversion option has been exercised, any instructions for payment of interest registered in respect of a holding of 12 per cent Exchequer Stock, 1999-2002 will apply to the new holding of 12 per cent Exchequer Stock, 1998 'B'.

15 Transfers of 12 per cent Exchequer Stock, 1998 'B' may be lodged at the Bank of England for registration in that form up to 17th April 1990. After that date, for purposes of certification, the 'B' stock will not be distinguished from the existing 12 per cent Exchequer Stock, 1998.

18 Her Majesty's Treasury have directed that Section 471 of the Income and Corporation Taxes Act 1988 (which relates to the treatment for taxation purposes of financial concerns whose business consists wholly or partly in dealing in securities) shall apply to exchanges of securities arising from this offer.

Particulars of the issue of 12 per cent Exchequer Stock, 1998

17 The prospectus for 12 per cent Exchequer Stock, 1998 dated 21st April 1978 included the following provisions:-

(a) The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. The principal Bank of England and the Stock is a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

(b) The Stock will be repaid at par on 20th November 1998. Interest is payable half-yearly on 20th May and 20th November. Income tax is deducted from payments of more than 5% per annum. Interest warrants are transmitted by post.

(c) The Stock is registered at the Bank of England or at the Bank of Ireland, Belfast, and is transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers are free of stamp duty.

Stock registered at the Bank of England held for the account of members of the CGO Service is also transferable, in multiples of one penny, by exempt transfer in accordance with the Stock Transfer Act 1963 and the relevant secondary legislation.

18 Additional copies of this notice, the particulars of 12 per cent Exchequer Stock, 1998 and forms for the acceptance of the conversion offer may be obtained at the New Issues Counter, Bank of England, New Change, London, EC4M 9AA, at the Central Gilt Office, Bank of England, 1 Bank Buildings, Princes Street, London, EC2R 8EU, or at any of the Branches or Agencies of the Bank of England...

19 Members of the Central Gilt Office Service may obtain further guidance about the arrangements set out above in relation to their accounts by contacting the Central Gilt Office, Bank of England.

STOCKHOLDERS UNCERTAIN AS TO THE BEST COURSE TO FOLLOW SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR.

Government statement
Attention is drawn to the statement issued by Her Majesty's Treasury on 23rd May 1989 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax changes decided on but not yet announced, over which they may specifically affect the terms on which, or the conditions under which, the further amount of 12 per cent Exchequer Stock, 1998 is issued or sold or by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation.

BANK OF ENGLAND
LONDON
20th December 1989

UK COMPANY NEWS

Rockwood revises terms for Interfreight offer

By Nikki Tait
TERMS UNDER which Rockwood Holdings, the acquisitive CSM-quoted distribution group, will acquire Interfreight Group, a shipping and forwarding business, have been changed.

NEI impacts on Rolls-Royce

By Nick Garnett
THE PURCHASE earlier this year of Northern Engineering Industries (NEI) by Rolls-Royce is slowly having some impact on their organisations.

Finlan lower after change in accounting policy

FIRST HALF profits of the Finlan Group, a property developer and materials handling concern, fell from a restated £1.56m to £674,000 at the pre-tax level.

Interest charges for the half year rose to £25,000 in September 90 accounted for £3,800 (£1,21m). The directors said that included £1.25m (£893,000) of interest which under the previous accounting policy would have been capitalised.

NEWS DIGEST

Sterling Industries expansion

STERLING Industries, the light engineer, increased first half profits from £55,000 to £1.3m pre-tax on the back of a 54.2m rise in turnover to £11.53m.

The directors said the 35 per cent advance in profits for the six months to end-September was largely attributable to an improvement from the hydraulics division at Crevkerne tempered by continuing costs of establishing market activity in Chicago.

After tax of £405,000 (£315,000), first half earnings totalled 3.55p (3.15p). The interim dividend is lifted to 1.35p (1.1p).

Faupel Trading lower at £732,000

Faupel Trading Group, the textile and clothing importer which came to the USM in June, reported a fall in pre-tax profits from £945,000 to £732,000 for the six months to September 30.

Turnover advanced to £3.32m (£2.21m) but interest payments rose from £110,000 to £301,000. An interim dividend of 1.85p is declared, payable from earnings per share of 6.21p (7.6p).

Builders merchants' decline hits Copson

F Copson, a supplier of heating equipment and building materials, saw taxable profits in the six months to October 31, fall

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY: Indices of industrial production, manufacturing output (1985=100); engineering orders (£ billion); retail sales volume (1985=100); retail sales value (1985=100); weighted unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Table with columns: Index, 1989, 1988, 1987, 1986, 1985. Rows include Industrial production, Manufacturing output, Engineering orders, Retail sales volume, Retail sales value, Weighted unemployment, Unfilled vacancies.

OUTLET: By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1985=100); housing starts (000s), monthly average.

Table with columns: Index, 1989, 1988, 1987, 1986, 1985. Rows include Consumer goods, Investment goods, Intermediate goods, Engineering output, Metal manufacture, Textiles, Leather and clothing, Housing starts.

EXTERNAL TRADE: Indices of export and import volumes (1985=100); value balance, export balance (£m) of balance (2%); terms of trade (1985=100); official reserves.

Table with columns: Index, 1989, 1988, 1987, 1986, 1985. Rows include Exports, Imports, Value balance, Current balance, Official reserves, Terms of trade, Reserves.

FINANCIAL: Money supply M0, M2 and M4 (annual percentage change); bank sterling lending to private sector; building societies' net inflow; consumer credit; all seasonally adjusted. Clearing Bank base rate (end period).

Table with columns: Index, 1989, 1988, 1987, 1986, 1985. Rows include M0, M2, M4, Bank sterling lending, Building societies' net inflow, Consumer credit, Clearing Bank base rate.

REPLICATION-Indices of earnings (1985=100); basic materials and fuels; wholesale prices of manufactured products (1985=100); real price and food prices (1985=100); Finance commodity index (Sept 1987=100); trade weighted value of sterling (1975=100)

Table with columns: Index, 1989, 1988, 1987, 1986, 1985. Rows include Earnings, Basic materials, Wholesale prices, RPI, Food, Finance commodity, Sterling.

*Not seasonally adjusted. †Figures in amounts outstanding, excluding bank loans.

AVIATION IN ASIA THE PACIFIC

The Financial Times proposes to publish this survey on: 20th February 1990

For a full editorial synopsis and advertisement details, please contact: PENNY SCOTT on 01-873 3595

or write to her at: Number One Southbank Bridge London SE1 9JH



SKOPBANK advertisement. Includes logo, text: 'This announcement appears as a matter of record only.', 'NEW ISSUE', 'DECEMBER 1989', 'Yen 6,700,000,000', '7 per cent, Nikkei-Linked Bonds Due 1990', 'Issue Price 101.125 per cent.', and a list of participating banks.

TD THE TORONTO-DOMINION BANK advertisement. Includes logo, text: 'This announcement appears as a matter of record only.', 'NEW ISSUE', 'DECEMBER 1989', 'Japanese Yen 4,000,000,000', '8 1/2 per cent, Nikkei Stock Average Deposit Notes due December 20, 1991', 'Issue Price 101.125 per cent.', and a list of participating banks.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

AUTHORISED UNIT TRUSTS

Table listing various unit trusts under the 'AUTHORISED UNIT TRUSTS' section, including names like 'Backmaster Managed Co Ltd' and 'Eagle Star Unit Trusts Ltd'.

Table listing unit trusts under the 'Eagle Star Unit Trusts Ltd' section, including 'Eagle Star Unit Trusts Ltd' and 'Eagle Star Unit Trusts Ltd'.

Table listing unit trusts under the 'Global Asset Management' section, including 'Global Asset Management' and 'Global Asset Management'.

Table listing unit trusts under the 'Lloyds Bank Unit Trusts' section, including 'Lloyds Bank Unit Trusts' and 'Lloyds Bank Unit Trusts'.

Table listing unit trusts under the 'Midland Unit Trusts Ltd' section, including 'Midland Unit Trusts Ltd' and 'Midland Unit Trusts Ltd'.

GUIDE TO UNIT TRUST PRICING. A section explaining the pricing of unit trusts, including details on how prices are calculated and the role of the FT Cityline service.

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هنگامی که اصل از دسترس است

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2123

Main table containing unit trust information with columns for Unit Name, Price, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

Table listing various UK unit trusts such as 'Windsor Unit Trust', 'Windsor Growth', and 'Windsor Income' with their respective prices and performance data.

INSURANCES

Table listing insurance companies and their unit trusts, including 'AA Friendly Society', 'Abney Life Assurance Co Ltd', and 'Aberdeen Life Assurance Co Ltd'.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-505-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'MANAGEMENT SERVICES' and 'OFFSHORE AND OVERSEAS'.

Handwritten note at the bottom center: 'مركز الاستثمار'

هكذا احد اقول

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, and Yield.

Table of LONDON SHARE SERVICE, including sections for BRITISH FUNDS, LOANS, FOREIGN BONDS & RAILS, and AMERICANS.

Table of Money Market Trust Funds and Money Market Bank Accounts, listing various financial products and their details.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-425-2128

AMERICANS - Cont'd

Table listing American stocks with columns for Stock, Price, and other financial metrics.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and other financial metrics.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies with columns for Stock, Price, and other financial metrics.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road companies with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS Cont'd

Continuation of Building, Timber, and Roads companies table.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES

Table listing drapery and store companies with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES - Cont'd

Continuation of Drapery and Stores companies table.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, and other financial metrics.

ENGINEERING

Table listing engineering companies with columns for Stock, Price, and other financial metrics.

ENGINEERING - Cont'd

Continuation of Engineering companies table.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other companies with columns for Stock, Price, and other financial metrics.

HOTELS AND CATERERS

Table listing hotel and catering companies with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies with columns for Stock, Price, and other financial metrics.

INDUSTRIALS (Miscel.) - Cont'd

Continuation of Miscellaneous Industrial companies table.

INDUSTRIALS (Miscel.) - Cont'd

Continuation of Miscellaneous Industrial companies table.

INDUSTRIALS (Miscel.) - Cont'd

Continuation of Miscellaneous Industrial companies table.

INSURANCES

Table listing insurance companies with columns for Stock, Price, and other financial metrics.

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Handwritten note: "Handwritten text in a box at the top center of the page, possibly a date or reference number." (Note: The text is illegible due to handwriting.)

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-525-2128

LEISURE

Table listing share prices for various leisure companies, including cinema chains and holiday operators.

PAPER, PRINTING, ADVERTISING - Contd

Table listing share prices for companies in the paper, printing, and advertising sectors.

TRANSPORT

Table listing share prices for various transport companies, including airlines and shipping lines.

TRUSTS, FINANCE, LAND - Contd

Table listing share prices for trusts, financial institutions, and land-related companies.

OIL AND GAS - Contd

Table listing share prices for oil and gas companies.

MINES - Contd

Table listing share prices for various mining companies.

MOTORS, AIRCRAFT TRADES

Table listing share prices for motor and aircraft trade companies.

PROPERTY

Table listing share prices for property-related companies.

TRUSTS, FINANCE, LAND

Table listing share prices for trusts, financial institutions, and land-related companies.

OVERSEAS TRADERS

Table listing share prices for overseas trading companies.

PLANTATIONS

Table listing share prices for plantation companies.

THIRD MARKET

Table listing share prices for companies listed on the third market.

COMMERCIAL VEHICLES

Table listing share prices for commercial vehicle companies.

SHOES AND LEATHER

Table listing share prices for shoes and leather companies.

INVESTMENT TRUSTS

Table listing share prices for investment trusts.

FINANCE, LAND, ETC

Table listing share prices for finance, land, and other companies.

MINES

Table listing share prices for various mining companies.

NOTES

Stock exchange dealing classifications are indicated to the right of company names. A stock exchange is indicated to the right of company names.

NEWSPAPERS, PUBLISHERS

Table listing share prices for newspaper and publishing companies.

SOUTH AFRICANS

Table listing share prices for South African companies.

TEXTILES

Table listing share prices for textile companies.

WATER

Table listing share prices for water companies.

OIL AND GAS

Table listing share prices for oil and gas companies.

REGIONAL & IRISH STOCKS

Table listing share prices for regional and Irish stocks.

PAPER, PRINTING, ADVERTISING

Table listing share prices for paper, printing, and advertising companies.

TOBACCOS

Table listing share prices for tobacco companies.

WATER

Table listing share prices for water companies.

OIL AND GAS

Table listing share prices for oil and gas companies.

FINANCE

Table listing share prices for financial institutions.

TRADITIONAL OPTIONS

Table listing share prices for traditional options.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Fed's move hits firm dollar

US MILITARY action in Panama kept the dollar firm for much of the European day, but the currency finished below its highs, and then fell further in New York on speculation that the Federal Reserve has eased its monetary stance.

unchanged at 3.3 per cent for the period. At the London close the dollar had also improved to Y144.00 from Y143.85; to SF15.620 from SF15.610; and to FF5.9400 from FF5.9380.

unwinding equally tenuous long D-Mark positions. Other currencies, including sterling, benefited from the D-Mark's decline. The pound was helped by news that UK bank and building society lending rose only 2.5bn in November, against forecasts of around 5bn.

The dollar moved up towards resistance at around DM1.7500, touching a peak of DM1.7485 in European trading, but then fell back to close at DM1.7400 in London, following action by the Fed adding temporary reserves to the New York banking system, via overnight system repurchase agreements.

£ IN NEW YORK

Table with columns: Dec 20, Latest, Previous Close. Rows for 1 month, 3 months, 6 months, 12 months.

STERLING INDEX

Table with columns: Dec 20, Previous. Rows for 8.30 am, 10.00 am, 11.00 am, Noon, 1.00 pm, 2.00 pm, 3.00 pm, 4.00 pm.

CURRENCY RATES

Table with columns: Dec 20, Bank rate, Special Drawing Rights, European Unit. Rows for Sterling, US Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table with columns: Dec 20, Bank of England, Morgan's Guaranty. Rows for Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: Dec 20, £, \$, S. Rows for Argentina, Australia, Brazil, etc.

EXCHANGE CROSS RATES

Table with columns: Dec 20, £, \$, S, DM, Yen, F Fr, S Fr, B Fl, Lira, C S, B Fr.

FT LONDON INTERBANK FIXING

Table with columns: 01.00 am Dec 20, 3 months US dollars, 6 months US Dollars.

MONEY RATES

Table with columns: NEW YORK, Treasury Bills and Bonds. Rows for One month, Three months, Six months, etc.

LONDON MONEY RATES

Table with columns: Dec 20, Overnight, 7 days notice, One Month, Three Months, Six Months, One Year.

BASE LENDING RATES

Table with columns: ARN Bank, Adco & Company, Allied Trust Bank, etc.

MOTOR CAR ADVERTISING

appears every Saturday in the WEEKEND FT. REACH THE RIGHT READERS by advertising now

FINANCIAL FUTURES AND OPTIONS

Table with columns: LFFE LIFFE GILT FUTURES OPTIONS, LFFE US TREASURY BOND FUTURES OPTIONS.

Table with columns: LFFE EURO CURRENCY FUTURES, LFFE EURO CURRENCY OPTIONS.

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GRANVILLE SPONSORED SECURITIES

Table with columns: High Low, Company, Price, Change, Green, Yield, % P/E. Rows for 243 295, 28 25, 210 149, etc.

Granville & Co. Limited, 77 Mansell Street, London E1 8AF. Telephone 01-488 1212. Member of the ISA & TSA.

The Republic of Italy U.S.\$500,000,000 Floating Rate Notes due 2000

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 21 December, 1989 to 21 June, 1990 the Notes will carry an interest rate of 8.3125% per annum.

IG INDEX

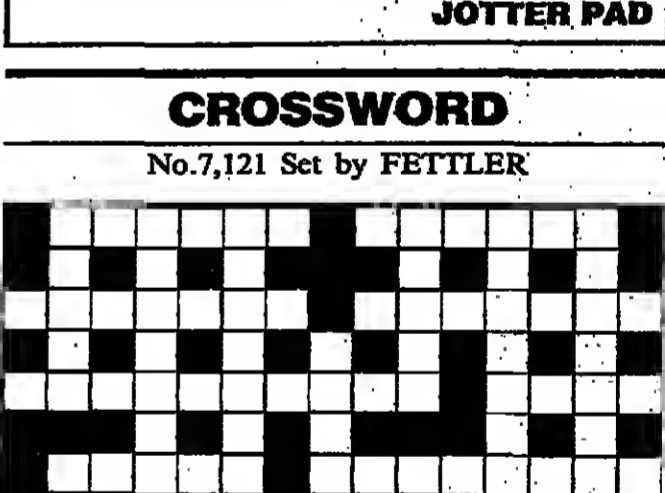
Table with columns: FTSE 100, Dec 22/60/2370.46, Jan 21/12/2228.45, etc.

FT-SE 100 Where next?

Table with columns: Dec 20, High, Low, Prev. Rows for 100, 100.5, 101.1, etc.

CROSSWORD

No.7,121 Set by FETTLER



JOTTER PAD

Answers should be placed where they fit. The positions of four of the answers should be immediately obvious.

ALPHABETICAL JIGSAW

A Starch is grown restricts (7) B Hold up glutton, grabbing (7) C To see obscure bird alight is wishful thinking (5-4-4) D Fawn material (5-4) E Knowing from experience, I place rim correctly (9) F Tom's family is strangely alien in far eastern capitals (7) G Fly, edgy one, with little wings trembling (6-3) H This Latin repeatedly evokes his physical state (7) I Shoddy label is a dingy yellowish grey (8) J The pace to stimulate an old crowd (7) K Enthusiastic cry (4) L Oh golly! It's rocky science (9) M Enchantment rocks their (9) N Inert mixture's found in explosives (5) O Organising coup, Cy can secure possession (9-4) P Rank outsider - parking on the old track (3-3) Q Manx tabby goes by rail, oddly enough (7)

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هنگامه اخبار

WORLD STOCK MARKETS

ASIA

Table of stock market data for Asia, including columns for country, stock name, price, and change.

FRANCE (continued)

Table of stock market data for France, including columns for stock name, price, and change.

GERMANY (continued)

Table of stock market data for Germany, including columns for stock name, price, and change.

ITALY (continued)

Table of stock market data for Italy, including columns for stock name, price, and change.

NETHERLANDS

Table of stock market data for the Netherlands, including columns for stock name, price, and change.

SWITZERLAND

Table of stock market data for Switzerland, including columns for stock name, price, and change.

FINLAND

Table of stock market data for Finland, including columns for stock name, price, and change.

DENMARK

Table of stock market data for Denmark, including columns for stock name, price, and change.

SPAIN

Table of stock market data for Spain, including columns for stock name, price, and change.

INDICES

Table of financial indices including Dow Jones, S & P 500, and various regional indices.

NEW YORK ACTIVE STOCKS

Table of active stock trading in New York, including volume and price changes.

TRADING ACTIVITY

Table of trading activity for various international markets.

JAPAN

Table of stock market data for Japan, including columns for stock name, price, and change.

NETHERLANDS (continued)

Table of stock market data for the Netherlands, including columns for stock name, price, and change.

NETHERLANDS (continued)

Table of stock market data for the Netherlands, including columns for stock name, price, and change.

NETHERLANDS (continued)

Table of stock market data for the Netherlands, including columns for stock name, price, and change.

NETHERLANDS (continued)

Table of stock market data for the Netherlands, including columns for stock name, price, and change.

NETHERLANDS (continued)

Table of stock market data for the Netherlands, including columns for stock name, price, and change.

NOTES: Prices on this page are in local currency unless otherwise indicated. All prices are in local currency unless otherwise indicated.

Advertisement for Financial Times featuring a globe and the text 'Keep the world in focus. For many executives that could be a daunting task were it not for the Financial Times...'.

Vertical text on the left margin, including 'SSWORD' and other illegible characters.

3pm Prices December 20

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized into columns with headers like 'High', 'Low', 'Close', 'Open', and various stock symbols.

Rothman's The Original King Size advertisement featuring an image of a pack of cigarettes.

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Continued on Page 37

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for Stock, High, Low, and Change. Includes a section for 'Continued from previous page'.

NASDAQ NATIONAL MARKET

3pm prices December

Table of NASDAQ National Market prices with columns for Stock, High, Low, and Change. Includes a detailed list of various stocks and their market data.

AMEX COMPOSITE PRICES

3pm prices December 21

Table of AMEX Composite Prices with columns for Stock, High, Low, and Change.

Advertisement for Scandic Crown Hotel, featuring the text 'It's attention to detail' and 'Scandic Crown Hotel'.

AMERICA

Dow eases as investors continue to take profits

Wall Street

A CLEAR signal from the US Federal Reserve that it had eased monetary policy by another notch failed to provide solace for the stock market yesterday, as profit-taking continued and nervousness about the economic outlook, writes Janet Eash in New York. After jumping about 8 points immediately after the opening bell, apparently on news of the US military offensive in Panama, the Dow Jones Industrial Average dipped back. At 2 pm, the Dow was quoted 10.24 points lower at 2,855.37 on active volume of 114m shares by mid-session. Having been 20 points down at one stage in the previous session, the Dow had closed 1.32 lower on Tuesday.

8% per cent from the 8% per cent level which had prevailed since early November. In spite of an upward revision in the third-quarter gross national product (GNP) growth rate to 3 per cent from the 2.7 per cent reported, the equity market is now displaying concern about a possible recession next year. Fourth-quarter GNP is expected to be very weak if figures already published are borne out.

Heavy buying of cars and trucks in the third quarter boosted GNP significantly, but figures for sales in the final three months of the year appear to have more than reversed the earlier gain. Selected blue chips fell back: IBM dropped 3% to \$56. General Electric fell 3% to \$62.5 and Aluminum Company of America lost 3% to \$72.

Some consumer non-cyclical, which were heavily sold on Tuesday, continued to be weak yesterday. Coca-Cola fell 1% to \$77. Among featured individual issues, Walt Disney, which has dropped precipitously all week, fell another 10% to \$113. Goldman Sachs was reported to have removed the stock from its recommended list, citing concerns that a possible recession could hurt earnings.

Hope H van Beuren, who holds a 5.2 per cent stake, said she might propose a merger or reorganisation. Tesoro Petroleum added 5% to \$9.4 after Harken Energy said that it had received an extension on the financing for its \$11.75-a-share takeover offer. The company added that it was considering a lower offer and a proxy fight for control of the company. Alexander's jumped 3% to \$55 after the company said that it had retained Morgan Stanley to explore its possible sale and other options at the request of Mr Donald Trump, the New York real estate developer, and Interstate Properties.

Canada A SLIGHT rise came in quiet trading by mid-session in Toronto. The composite index firm 5.9 to 3,921.3. Advances led declines by 287 to 274 on volume of 15m shares.

Thai outlook obscured by economic mists

Roger Matthews examines the foundations of Bangkok's spectacular gains in 1989

THE OFFICIAL weather forecast for Bangkok this week was "Cool. Slight morning mist. Maximum temperature 30 deg C (86 F)." As winter tightens its grip on the City of Angels and residents wrap their children in woolly hats, the one sure place to keep warm is the Securities Exchange of Thailand. There, too, 30 C would certainly be considered cool.

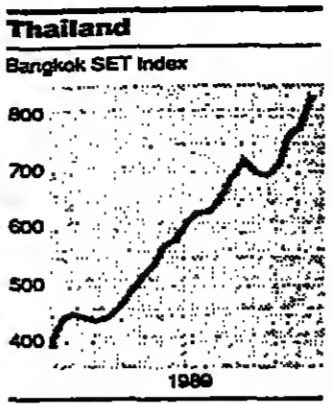
By mid-December, the SET index had climbed by over 114 per cent on the year and investors who had bought shares in, for example, Siam Cement at the beginning of 1989 had tripled their money. Whether more recent purchasers are about to catch a cold is now the subject of much debate.

Thailand's economic fundamentals still look good, although it might be prudent to pay a little more attention to the less positive aspects. Growth in gross national product (GNP) this year will be more than 10 per cent and government economists are forecasting 9 to 9.5 per cent in 1990, basing their

view in part on investment commitments and assuming that there will not be any significant slowing in world trade. With company profitability reflecting this buoyancy and the SET having performed rather below expectations in 1989, there was every reason to expect a strongly rising market this year. Foreign interest was markedly higher in the first half of the year but in the past two months it has been mainly local investors who have pushed the index to levels that are causing concern.

Of equal concern to some brokers and politicians has been the impact on the market of the individualistic and increasingly controversial Mr Pramual Sabhavasu, the Minister of Finance.

In an interview at the weekend, Mr Pramual admitted that in October he had deliberately tried to talk the market up, and in November he had tried to talk it down by raising the spectre of a capital gains tax on share dealing. He said he thought some people were manipulating the market and



wanted to teach them a lesson. When his bluff was called, the market again bounded higher. Much the same has happened over interest rates. With inflation creeping towards 7 per cent, many senior officials at the Finance Ministry and the Bank of Thailand favoured and expected the raising of the ceiling on interest rates. Mr Pramual thought differently. He took on and defeated the central bank ("in future if they

want to do anything they will have to come to me"), brushed some of his Cabinet colleagues (including Gen Chatchaval Choonhavan, the Prime Minister, and provided the market with further cause for marking up prices.

He later declared that raising interest rates was "too easy a way out of inflation" and he preferred a more difficult and challenging method of trying to control the leading policies of the commercial banks through the Bank of Thailand.

"All this has given the market an entirely wrong message," said one broker. "There is no question that interest rates will be going up and inevitably it is the smaller borrowers who are going to be squeezed first and most painfully. But no one yet seems to have fully grasped this. The market has gone too far, too fast and a modest correction would now be in order."

political considerations are influencing the decision-making process. The selection of the consortium to build the urgently-needed mass rapid transit system for Bangkok has been delayed for another six months, while plans to build a new conference centre in the middle of the city went through Cabinet almost without discussion.

Equally, privatisation plans are hanging fire at a time when the market would welcome some additional stock to help satisfy the recent, apparently insatiable demand.

Brokers' advice, particularly to foreign investors, is to keep their gaze set firmly on the middle distance. "Speculation is entirely for Thai," commented a broker. "It is impossible to gauge the daily movements of the market when there are so many impediments."

However, Thailand remains a very sound investment and even if there is a sizeable correction there would be no less reason to be optimistic about the longer term.

Further talk of credit tightening limits rise

Tokyo

LINGERING concern about a possible rise in the official discount rate kept a lid on buying enthusiasm, but arbitrage activity shored up the Nikkei index towards the close, writes Michiko Nakamoto in Tokyo. The Nikkei average finished with a moderate gain of 72.90 to 38,512.00. Share prices had made a buoyant start, with the index gaining more than 120 points, but had then fallen back on renewed talk of an increase in the discount rate, losing 128 points by the morning close. It fluctuated between a low high of 38,571.78 and a low of 38,310.53.

Declines led advances by 507 to 424, while 207 issues were unchanged. Turnover was robust at 1.1bn shares, up from 966m on Tuesday. The broad-based Topix index lost 3.42 to 2,849.17 and, in London trading, the ISE/Nikkei 50 index was up to 1,355.33.

Investors had been puzzled by Tuesday's drama about a possible increase in the official discount rate. Signs from the Bank of Japan had indicated that it was in favour of a rise. But Mr Ryutarō Hashimoto, the Minister of Finance, flatly rejected the possibility, on the grounds that neither price nor the yen's level warranted an immediate discount rate rise.

Although Mr Hashimoto's rejection appeared to settle the matter, Bank of Japan officials hinted again yesterday morning at a need to raise the rate, sparking further speculation about an increase this year.

The market, in all the confusion, was said to be on the way to discounting a rate increase. None the less, with the possibility of a third discount rate rise this year, the market's upward trend could be reaching a turning point, said Mr Hiroaki Hanano at Daiwa Securities.

SOUTH AFRICA

ANOTHER rise in the financial rand helped to push shares down sharply in Johannesburg in thin pre-Christmas trading. The steady billion price failed to provide support for gold shares, which saw Yeal Beef's fall R14 to R412 and Freegold R2 to R53.50. The gold index plunged 52 to a provisional 2,123, while the industrial index lost 34 to 2,766.

EUROPE

FAZ bursts through 700 after Kohl's Dresden visit

POLITICAL events figured strongly yesterday, with West Germany inspired by its eastern neighbour once again, and France and the Netherlands boosted by a higher dollar in the wake of US action in Panama, writes Our Markets Staff.

FRANKFURT rose in heavy turnover as investors, inspired by Chancellor Helmut Kohl's visit to Dresden, continued to show enthusiasm for East Germany-related stocks. The FAZ index broke through the 700 level to a post-crash high of 700.70, up 12.33 or 1.8 per cent. The DAX index rose 27.51, or 1.7 per cent, to a record 1,675.01. Turnover surged to DM7.9bn from Tuesday's already busy DM6.8bn.

There has been a flood of plans recently for joint East/West ventures or for opening offices in East Germany. Yesterday, the Bundesbank said it would allow firms and banks to open offices in the East immediately.

This was one of three reasons why West Germany should benefit from developments, according to an Intercontinental Asset Briefing from SG Warburg Securities this week. The others were the potential benefits from the influx of refugees; and the need for restructuring in East Germany.

"But the debate should be perhaps over the potential financing of this investment. After all, the constraint to the demand for western products is likely to be chiefly one of finance rather than need. The international financing flows into East Germany could indeed be quite significant - perhaps disappointing those Jeremiahs who believe that overall the progress will be painfully slow and limited," Warburg writes.

Among big movers were Daimler, up DM23.80 to DM713.80, VW, rising DM9 to DM518.50, electronics group Siemens, up DM13.60 at DM665.50, and retailer Karstadt, gaining DM17 to DM661.

DM665.50, and retailer Karstadt, gaining DM17 to DM661. Metallgesellschaft added another 2% to DM567 on this week's advance of a venture in Hungary. Hugo Boss, the men's clothing company, was suspended for an announcement that the principal shareholders were selling a majority stake to Leyton House of Japan.

PARIS was still feeling cautious, but strong demand for certain stocks pulled the market higher. The dollar strengthened against the D-Mark, enabling the franc to gain some ground against the West German currency, which also helped sentiment.

The OMF 50 index gained 4.04, or 0.9 per cent, to 532.55. Oil refiners advanced as crude prices rose after the US intervention in Panama. Esso France surged FF69, or 2.7 per cent, to FF999 and Raffinage gained FF89.90 to FF173.90.

Paribas, the bank, gained FF27, or 3.4 per cent, to a year's high of FF742 in the day's most active business. There was speculation that Navigation Maritime, itself a takeover target of Paribas, was an active buyer.

Eurotunnel gained FF2.66 to FF55.15 in busy trading after saying that passengers would be able to stay in their vehicles on the Channel tunnel trains, which should cut costs.

Bouygues lost FF15 to FF664 after news that the construction group had taken a 3.5 per cent stake in Spain's Banco Central.

gain-hunters sought banking and insurance issues, while Frantour's share prices posted confidence. The Credit Suisse index gained 2.8 to 610.4.

Union Bank bearers rose SF746 to SF743.975 and Zurich Insurance bearers added SF790 to SF751.00.

AMSTERDAM gained ground on the higher dollar, but closed off its day's highs in thin trading. The CBS tendency index rose 1.3 to 182.5. Leading internationals performed well, with Royal Dutch up F11.30 at F1146 and Unilever F12.10 higher at F158.60.

HELSINKI advanced in heavy volume - most of it again in restricted shares. The Unitas all-share index rose 3.6 to 626.5 in turnover of FMI27m.

OSLO was tugged higher by shipping stocks, which gained on prospects of higher rates and longer charters, after events in Panama which could affect the Panama Canal.

The all-share index gained 1.15 to 517.81. Turnover was NRK304m, of which NRK184m was in shipping issues.

FT-ACTUARIES WORLD INDICES

Table with columns: NATIONAL AND REGIONAL MARKETS, TUESDAY DECEMBER 19 1989, MONDAY DECEMBER 18 1989, DOLLAR INDEX. It lists various countries and stock indices with their respective values and percentage changes.

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